Employment and Social Development Canada

2015–16

Departmental Performance Report

The Honourable Jean-Yves Duclos
Minister of Families, Children and Social Development

Departmental Performance Report 2015–16

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Ministers' Message

Message from the Minister of Families, Children and Social Development, the Minister of Employment, Workforce Development and Labour, and the Minister of Sport and Persons with Disabilities

We are pleased to present Employment and Social Development Canada's 2015–16 Departmental Performance Report (DPR), which lays out our performance results against the expectations set out in the 2015–16 Report on Plans and Priorities. It outlines the work done by the Department in developing, improving and delivering important policies, programs and services to Canadians.

With the valuable support of our employees from across the Department (Employment and Social Development Canada, the Labour Program and Service Canada), we help Canadians move through life's transitions: from having a family and children through to becoming seniors, from school to work, from job to job and from workforce to retirement.

Every Canadian has the right to live a dignified life and deserves a real opportunity to succeed. This is as true for parents who are trying to save for the future while juggling the costs of raising a family, as it is for Canadians already in retirement. We are working hard to ensure every Canadian has equal access to the opportunities they need to succeed, in their communities and in their workplaces.

With Budget 2016, we took action to help the middle class, and those working hard to join it, and set a course for fairer, more inclusive growth. We are giving Canadians the assistance they need by supporting families with the new Canada Child Benefit and with enhancements to post-secondary financial assistance that ensure education is more affordable for students from low and middle income families. We are also improving seniors' quality of life and improving Employment Insurance for those who need it. We remain committed to helping enhance employability and support literacy, learning, essential skills and individual needs of underserved populations, such as women, Indigenous communities, persons with disabilities, and our newest Canadians.

We will continue to invest in social infrastructure to ensure all Canadians have access to housing that is safe, adequate and affordable. The Department will also move forward with its plans to modernize services to Canadians, build stronger communities and ensure that workplaces are—and remain—safe, fair, productive and cooperative. We are helping Canadians get the skills they need for good-quality jobs by investing in skills development and training and making post-secondary education more affordable for young Canadians. We have also committed to restoring fairness, balance and stability in Canada's federal labour relations system.

Our ambitious agenda will be realized through smart investments and a sense of fairness, along with close collaboration with our partners and an open and transparent government. By remaining focused on our mandate priorities and aligning our resources with our commitments, we are ensuring Canadians are supported by a government that works for them.

The Honourable Jean-Yves Duclos, P.C., M.P.
Minister of Families, Children and Social Development

The Honourable MaryAnn Mihychuk
Minister of Employment, Workforce Development and Labour

The Honourable Carla Qualtrough
Minister of Sport and Persons with Disabilities

Results Highlights

What funds were used?

In 2015–16, Employment and Social Development Canada (ESDC) expenditures on programs and services totalled $122.8 billion, of which:

- $117.1 billion (95 percent) directly benefited Canadians through Employment Insurance (EI), the Canada Pension Plan (CPP), Old Age Security, the Universal Child Care Benefit (UCCB) and other statutory transfer payment programs.
- Departmental expenditures were $1.6 billion in voted grants and contributions and $2.0 billion for Part II of the *Employment Insurance Act*.

Who was involved?

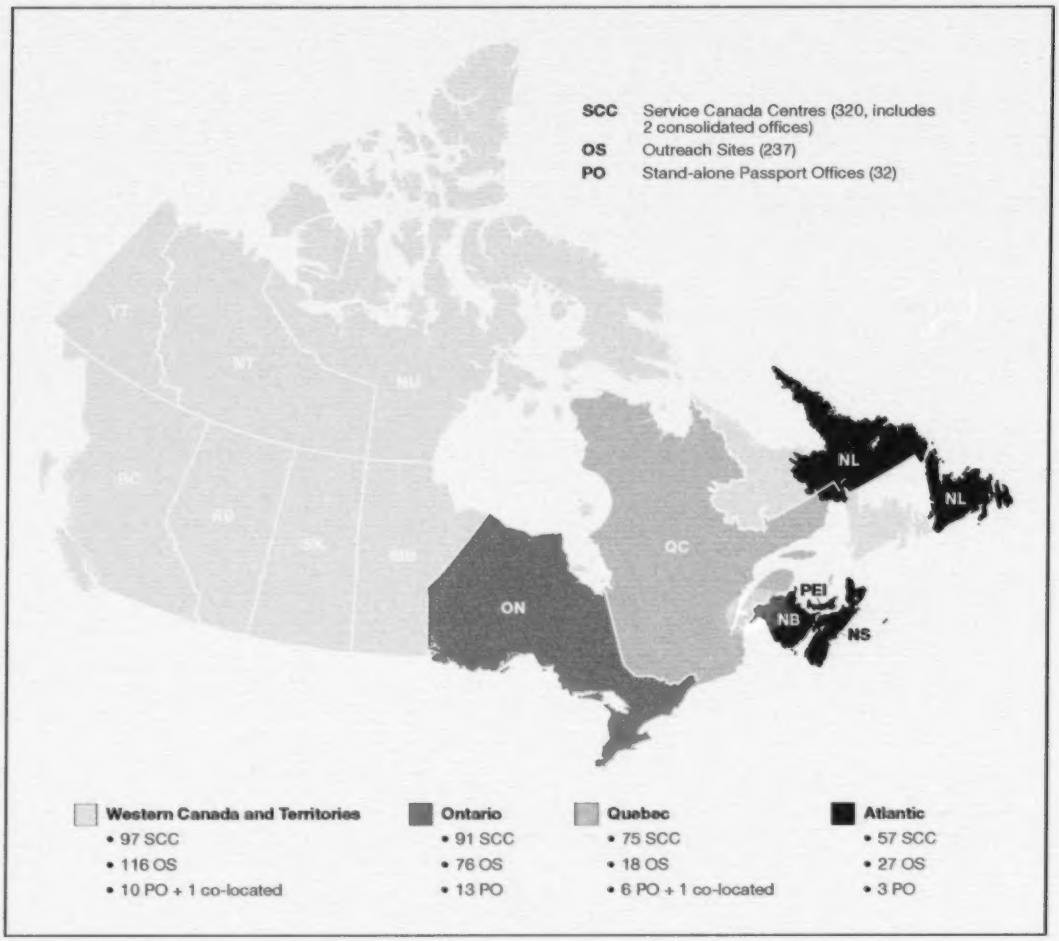
As the fourth-largest department in the Government of Canada, our employees touched the lives of Canadians across the entire country. In 2015–16, of the total 21,010 FTEs (full-time equivalents – see Appendix: Definitions):

- 17,067 FTEs (81 percent) were involved in the delivery of direct benefits to Canadians such as EI, the CPP, OAS, other statutory transfer payment programs and grants and contributions across Canada.
- 3,943 FTEs (19 percent) were used for supporting the delivery of departmental programs and services.

ESDC assisted millions of Canadians in 2015–16

- 785 million visits to the Service Canada website; close to 2.2 million calls answered by 1 800 O-Canada agents; 8.7 million in-person visits to Service Canada offices.
- 4.6 million passports issued.
- 2.95 million applications processed for EI (initial and renewal); 690,000 applications processed for CPP; 775,000 applications processed for OAS.
- 24.7 million payments issued for EI (initial and renewal); 64.4 million payments issued for CPP; 68.5 million payments issued for OAS.
- 640,000 full-time post-secondary students received federal student financial assistance, which includes students who received a Canada Student Loan, a Canada Student Grant and/or those who benefited from an in-study interest subsidy.
- 395,027 students withdrew $3.27 billion from their RESPs to help fund their post-secondary education.
- 94 percent of labour disputes in federally regulated workplaces were settled as part of the collective bargaining process.

Points of Service as of March 31, 2016



Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Ministers:

The Honourable Jean-Yves Duclos

The Honourable MaryAnn Mihychuk

The Honourable Carla Qualtrough

Institutional Head:

Louise Levonian
Deputy Minister of Employment and Social Development

Ministerial Portfolio:

Minister of Families, Children and Social Development

Minister of Employment, Workforce Development and Labour

Minister of Sport and Persons with Disabilities

Enabling Instruments: ***Department of Employment and Social Development Act*** **(S.C. 2005, c. 34)**;[1] additional information on acts and regulations can be found on the **Employment and Social Development Canada website**.[2]

Year of Incorporation/Commencement: 2005

Other: For more information on the Department's role, please visit the **Employment and Social Development Canada website.**[3]

Organizational Context

Raison d'être

The mission of Employment and Social Development Canada (ESDC), including the Labour Program and Service Canada, is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives and to improve Canadians' quality of life.

Responsibilities

ESDC delivers a range of programs and services that affect Canadians throughout their lives. The Department provides seniors with basic income security, supports unemployed workers, helps students finance their post-secondary education and assists parents who are raising young children. The Labour Program is responsible for labour laws and policies in federally regulated workplaces. Service Canada helps citizens access ESDC's programs, as well as other Government of Canada programs and services.

To fulfill its mission, the Department is responsible for:

- developing policies that ensure all can use their talents, skills and resources to participate in learning, work and their community;
- delivering programs that help Canadians move through life's transitions, from school to work, from one job to another, from unemployment to employment, from the workforce to retirement;
- providing income support to seniors, families with children and Employment Insurance beneficiaries;
- helping Canadians with distinct needs such as Indigenous people, people with disabilities, homeless people, travellers and recent immigrants;
- overseeing labour relations, occupational health and safety, labour standards, employment equity and workers' compensation in the federal jurisdiction; as well as representing Canada in international labour organizations and negotiating and implementing labour provisions in trade initiatives; and
- delivering programs and services on behalf of other departments and agencies.

Included in these core roles are responsibilities for the design and delivery of some of the Government of Canada's well-known programs and services, including:

- Old Age Security;
- the Canada Pension Plan;
- Employment Insurance;
- the Canada Loans and Grants for Students and Apprentices Program;
- the Canada Education Savings Program;

- the National Child Benefit and the Universal Child Care Benefit which were replaced by the new Canada Child Benefit in July 2016;
- the Wage Earner Protection Program; and
- passport services.

Direct benefits to Canadians are part of Canada's social safety net and represent 95 percent of the Department's expenditures.

Through the Labour Program, the Department contributes to enhancing the employment conditions and well-being of working Canadians, provides dispute prevention and resolution assistance to unions and employers in the federal jurisdiction, and promotes respect for international labour principles and standards.

Through Service Canada, the Department helps Canadians access departmental programs as well as other Government of Canada programs and services at 589 in-person points of service across the country (555 Service Canada points of service, 2 consolidated offices with a Passport office and 32 stand-alone Passport offices). In addition to in-person services, the organization also serves the needs of Canadians online at **servicecanada.gc.ca** as well as **Canada.ca**, through My Service Canada Account and by telephone through 1 800 O-Canada and its network of call centres.

Finally, through grants and contributions, the Department provides funding to other orders of government and organizations in the voluntary and private sectors, educators and community organizations to support projects that meet the labour market and social development needs of Canadians.

Strategic Outcomes and Program Alignment Architecture

ESDC's 2015–16 Program Alignment Architecture (PAA) is presented below. It lists the programs offered by the Department that are designed to support the achievement of its four strategic outcomes.

1. **Strategic Outcome:** Government-wide service excellence

    1.1 **Program:** Service Network Supporting Government Departments

        1.1.1 **Sub-Program:** Government of Canada Telephone General Enquiries Services

        1.1.2 **Sub-Program:** Government of Canada Internet Presence

        1.1.3 **Sub-Program:** In-Person Points of Service

    1.2 **Program:** Delivery of Services for Other Government of Canada Programs

        1.2.1 **Sub-Program:** Passport

        1.2.2 **Sub-Program:** Other Government Department Programs

2. **Strategic Outcome:** A skilled, adaptable and inclusive labour force and an efficient labour market

   2.1 **Program:** Skills and Employment

      2.1.1 **Sub-Program:** Employment Insurance

      2.1.2 **Sub-Program:** Labour Market Development Agreements

      2.1.3 **Sub-Program:** Canada Job Fund Agreements

      2.1.4 **Sub-Program:** Labour Market Agreements for Persons with Disabilities

      2.1.5 **Sub-Program:** Opportunities Fund for Persons with Disabilities

      2.1.6 **Sub-Program:** Youth Employment Strategy

      2.1.7 **Sub-Program:** Targeted Initiative for Older Workers

      2.1.8 **Sub-Program:** Enabling Fund for Official Language Minority Communities

      2.1.9 **Sub-Program:** Aboriginal Skills and Employment Training Strategy

      2.1.10 **Sub-Program:** Skills and Partnership Fund

      2.1.11 **Sub-Program:** First Nations Job Fund

      2.1.12 **Sub-Program:** Job Bank

      2.1.13 **Sub-Program:** Sectoral Initiatives Program

      2.1.14 **Sub-Program:** Literacy and Essential Skills

      2.1.15 **Sub-Program:** Skilled Trades and Apprenticeship (Red Seal Program)

      2.1.16 **Sub-Program:** Apprenticeship Grants

      2.1.17 **Sub-Program:** Foreign Credential Recognition Program

      2.1.18 **Sub-Program:** Temporary Foreign Worker Program

   2.2 **Program:** Learning

      2.2.1 **Sub-Program:** Canada Loans and Grants for Students and Apprentices Program

      2.2.2 **Sub-Program:** Canada Education Savings Program

3. **Strategic Outcome:** Safe, fair and productive workplaces and cooperative workplace relations

   3.1 **Program:** Labour

      3.1.1 **Sub-Program:** Labour Relations

      3.1.2 **Sub-Program:** Workplace Health and Safety

         3.1.2.1 **Sub-Sub-Program:** Occupational Health and Safety

         3.1.2.2 **Sub-Sub-Program:** Federal Workers' Compensation

      3.1.3 **Sub-Program:** Labour Standards and Equity

         3.1.3.1 **Sub-Sub-Program:** Labour Standards

         3.1.3.2 **Sub-Sub-Program:** Workplace Equity

         3.1.3.3 **Sub-Sub-Program:** Wage Earner Protection Program

      3.1.4 **Sub-Program:** International Labour Affairs

4. **Strategic Outcome:** Income security, access to opportunities and well-being for individuals, families and communities

   4.1 **Program:** Income Security

      4.1.1 **Sub-Program:** Old Age Security

      4.1.2 **Sub-Program:** Canada Pension Plan

      4.1.3 **Sub-Program:** Canada Pension Plan Disability Benefits

      4.1.4 **Sub-Program:** Canada Disability Savings Program

      4.1.5 **Sub-Program:** National Child Benefit

   4.2 **Program:** Social Development

      4.2.1 **Sub-Program:** Homelessness Partnering Strategy

      4.2.2 **Sub-Program:** Social Development Partnerships Program

         4.2.2.1 **Sub-Sub-Program:** Children and Families

         4.2.2.2 **Sub-Sub-Program:** Disability

      4.2.3 **Sub-Program:** New Horizons for Seniors Program

      4.2.4 **Sub-Program:** Universal Child Care Benefit

      4.2.5 **Sub-Program:** Enabling Accessibility Fund

      4.2.6 **Sub-Program:** Federal Income Support for Parents of Murdered or Missing Children

Internal Services

Operating Environment and Risk Analysis

ESDC continues to operate in an environment characterized by significant demographic changes in Canadian society, global economic conditions that impact social and economic opportunities for Canadians, and rising service expectations of Canadians.

The Department offers programs that support Canadians in all stages of their lives through a variety of service delivery channels. In 2015–16, it delivered $117.1 billion in benefits to Canadians. The complexities associated with handling a high volume of transactions of significant materiality, usually containing personal and sensitive information, expose the Department to risks that are multifaceted, interdependent and derived from various external and internal sources.

Expectations with respect to services delivered by government have been heightened as Canadians compare their experience with the service experience provided by certain private-sector organizations. Meeting these expectations requires strategies to constantly improve the technological systems and services that the Department provides and to apply innovative approaches, while minimizing new risks that are specific to a new delivery model.

With the implementation of the new service delivery agenda, as well as other aspects of information technology renewal, comes an expanded emphasis on privacy and information management. The Department already has action plans underway in these areas in order to strengthen existing frameworks and heighten employee awareness around the importance of safeguarding personal and sensitive information, and to respond to central agency initiatives such as the implementation of the new Treasury Board **Directive on Recordkeeping** in 2015. However, increased use of web and mobile technology in departmental operations is requiring ongoing attention to information protection protocols.

As the Department transitions to its new service delivery strategy, and implements other key automation and IT renewal initiatives, the skill sets required with the new technology and business processes will evolve. Given that many of the planned changes to operations are still being defined, it will be challenging to accurately predict the types of new skill sets required well in advance of the new technologies being put in place. To address these workforce challenges, the Department has developed the 2015-2020 Workforce Strategy, which is now in year two of its implementation.

In 2015–16, the Department identified four key corporate risk areas:

Risk	Risk Response Strategies	Link to the Organization's Program(s)
Project Management Given the complexity of projects, there is a risk that ESDC will encounter difficulties in meeting project deadlines due to insufficient capacity and skills in project management.	As reported in the 2016-2019 ESDC Integrated Business Plan, since the 2015–16 fiscal year, ESDC has begun the evolution to a culture of enterprise-wide excellence in the management of investment projects. Throughout the year, ESDC has also continued to monitor risks associated with the management of projects, especially for major information technology initiatives. Building on progress made in previous years to manage risks related to project management, the Department has implemented a series of strategies and action plans to better manage risks related to project management. For instance, through the Project Management Framework, the Department has made progress in building project management capacity and delivered extensive training to provide an understanding of project management principles, processes and tools. To support better awareness of branch projects and interdependencies, ESDC has also aligned project management advisors to provide expertise, guidance and advice to client branches. In addition, a Capacity on Demand contract has been finalized to deploy project management expertise. A comprehensive training curriculum has been developed to help build project management competencies in ESDC. Project management training includes modules on investment intake, business case development, concept initiation (stage 1 and 2), conditional process (risk, issue, change request) and project scheduling. To provide real-time information on project status, timelines and expenditures, project management tools such as the Project Management information System (PMIS) have been phased in across the Department. Specifically, Phase 2 of PMIS has been implemented and Phase 3 has been approved as part of the 2016–17 investment intake process. This also includes automated project and portfolio-level reporting of PMIS data and results. In order to increase the key stakeholders' understanding of Treasury Board policies and the Department's responsibilities to support the policies and new processes related to investment management, the Department has executed, and will continue to execute, communication and engagement activities across the portfolio. ESDC's business architecture has been established to leverage a formal and repeatable approach to describe and analyze the Department's business and operating models, using business architecture as a lens to better plan and manage IT demand and resulting investments.	1.1 Service Network Supporting Government Departments 1.2 Delivery of Services for Other Government of Canada Programs 5.1 Internal Services

	Finally, governance has been strengthened, given greater accountability to project sponsors and project teams, adding processes to increase tracking capability and integration across the project portfolio, and implementing a change management process.	
Privacy/Security Given the volume and sensitivity of ESDC's data along with the proliferation of online threats, there is a risk that information collected by the Department is inadvertently accessed, inappropriately handled, used and/or disclosed by ESDC or its clients.	Given that the Department holds personal information on virtually all Canadian citizens who receive, or have received, a benefit or service delivered by the Department, failure to protect sensitive personal information from inappropriate collection, use and disclosure could potentially affect the quality of services to Canadians and could diminish the public's trust in the Department, harming its reputation while exposing it to potential legal proceedings and costs. In addition, cyber threats and attacks continue to threaten the Department's technological vulnerabilities. The Department also exchanges a high volume of information containing personal, confidential and sensitive data with other departments, levels of government and third parties. This further exposes the Department to a risk that personal information may be inadvertently or inappropriately collected, used or disclosed by its partners/clients. To appropriately manage the exchange of information, Information Sharing Arrangements, a record of understanding between parties that outlines the terms and conditions under which personal information is to be shared, collected, used and retained between them, have been developed. ESDC recognizes the value of using administrative data to improve programs and services for Canadians. As such, the Department has put in place a robust framework for policy, analysis, research and evaluation activities that involve the non-administrative use of personal information. In addition, the Department continues to conduct Privacy Impact Assessments for new or substantially modified activities or programs, and has improved and streamlined the process to identify the privacy impacts, risks and associated mitigation strategies. This is part of a broader initiative to modernize privacy policies/processes and strengthen the approach to privacy management through the continued implementation of the Departmental Privacy Program. Oversight is also an important component of strengthening privacy management. Over the past year, ESDC has continued to strengthen the horizontal coordination and prioritization of issues, plans and strategies to protect personal information through the Privacy and Information Security Committee. Proactive risk assessment exercises improved compliance through clear accountabilities and continued governance oversight. Furthermore, the Department has continued its efforts to embed privacy and security considerations in the design and architecture of the Department's programs and initiatives.	1.1 Service Network Supporting Government Departments 1.2 Delivery of Services for Other Government of Canada Programs

	To foster privacy awareness in the Department, ESDC continues to promote privacy awareness, guidance and training, including a mandatory training module on the Stewardship of Information and Effective Workplace Behaviours for all ESDC employees. ESDC has also established "clean desk" guidelines and physical security inspections aimed at protecting sensitive information and departmental assets and reducing the risk of unauthorized access or compromise.	
Information Technology Given that the technologies that support the delivery of ESDC's programs are aging, there may be a risk that the Department's information technology (IT) capacity and the replacement of obsolete technologies, both the infrastructure and applications, may result in temporary service disruptions.	Canadians increasingly expect government services to be available online in a timely and secure manner. In response, the Department is investing in a number of modernization initiatives to better meet the service delivery needs and expectations of its clients. The majority of these transformational initiatives involve IT-based projects to modernize obsolete IT infrastructures and applications. Many of these projects are being undertaken concurrently, requiring sufficient project management capacity, and there are project interdependencies linking the success of one project to another. Challenges are magnified due to the difficulties in predicting changes to each project, driving the need for proper planning in order to avoid the potential of disruptions in service. The Department has numerous strategies—as detailed below—to mitigate the risks associated with IT. ESDC continues to make ongoing investments in modernizing IT infrastructure. For instance, the Department continues with its Application Portfolio Management Program to determine which IT applications are invested in or divested from. This program continues to strengthen the process to manage the suite of applications and platforms needed to support the delivery of services. Through the major pillars of the IT Security Program, the Department is managing major risk exposures related to the IT environment. For instance, a risk control mechanism found in the Departmental Security Program is the Legacy IT Environments component used to manage the impacts of risk exposures related to legacy applications supporting major programs. The Department has completed detailed risk assessments, including the implementation of mitigation plans for key risk exposures in the legacy IT environment. With the recent completion of the Departmental Business Capability Model, a full articulation of ESDC's key capabilities in its current state has supported informed investment and strategic planning, risk analysis and the horizontal understanding of enterprise direction.	1.1 Service Network Supporting Government Departments 1.2 Delivery of Services for Other Government of Canada Programs 5.1 Internal Services

	In addition, ESDC has also invested in improvements to, and the streamlining of processes to establish documented, standard and repeatable IT processes to enable branches to create efficiency and flexibility in meeting both client demand and reducing costs. Specifically, the Department has completed the IT Process Landscape and Process Roadmap to assist clients with complex IT processes, and has also developed process guidelines and templates and repositories designed to properly classify and organize processes.	
Human Resource Management As the public service ages, there is a risk that ESDC will lose valuable historical knowledge that will not be adequately replaced to serve Canadians.	The world in which the public service operates has become increasingly complex, driving the need for new competencies and capabilities. The rapid pace of modernization initiatives, especially related to IT, is creating diverse threats and opportunities related to human resources (HR) management across government. In this context, ESDC faces the challenge of building a workforce comprising employees with the skills and competencies to meet both transformational and ongoing business objectives. There is also the added challenge of adequately responding to both the large number of potential retirements expected in the next five years as well as the impacts on workforce capacity following the effects of numerous cost saving initiatives over the years. Effective workforce planning will be even more important to compete for talent and streamline recruitment processes for greater efficiency. To address HR-related risks, in the context of the recently developed ESDC 2015-2020 Workforce Strategy, the Department is developing and implementing a number of strategies to: facilitate having the right people in the right place at the right time; develop people; and foster a productive workplace. The implementation of the major pillars of the Departmental Workforce Strategy has strengthened ESDC's approach to proactive staffing, succession planning, training and development, capacity building, and performance management. Over the past year, the Department has matured staffing and succession planning by developing the Departmental Recruitment and Staffing Strategy and the Succession Planning Overview and Toolkit. Furthermore, ESDC has made significant progress in integrating workforce planning into business planning so that human resources decisions are built into decisions on operations and priority setting.	5.1 Internal Services

Organizational Priorities

Priority 1: Deliver high-quality programs and services

Innovate in the design and delivery of programs, ensuring that policies and programs are developed with service delivery in mind and that processes are simple and automated.

Priority Type: New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Modernization of Government of Canada Web presence	December 2013	December 2017	On track	1.1.2 Government of Canada Internet Presence
Modernization of passport services	June 2013	TBD	Delayed	1.2.1 Passport
Implement the EI Workload Inventory Reduction Strategy	October 2014	September 2016	On track	2.1. Skills and Employment
Modernization of labour programs and services for federally regulated workplaces	Ongoing	Ongoing	On track	3.1 Labour
Advance Canada's international trade and human rights agenda through the negotiation of bilateral and multilateral labour agreements and through multilateral fora	June 2010	October 2015	Completed	3.1.4 International Labour Affairs
Advance Risk-based Program Integrity Measures across departmental programs	April 2015	Ongoing	On track	All programs

Progress toward the priority:

In terms of modernizing and streamlining the Government of Canada's web presence, as of December 3, 2015, a number of federal institutions began publishing directly to **Canada.ca** and some were fully migrated. Over 60 are now using the Social Media Account Management tool for official Government of Canada social media accounts. An enterprise search solution (using Google) has been procured and launched. With respect to ESDC's own online presence (i.e. ESDC/Service Canada/Labour Program), the Department reviewed/archived/moved nearly 55 percent of its web pages to **Canada.ca**.

The modernization of Passport Services is intended to allow the program to address a fundamental shift in its business model due to the introduction of a 10-year validity period for passports which will entail larger fluctuations in demand for passport services. This shift will be addressed by: expanding passport services across the Service Canada in-person network, replacing the program's aging IT infrastructure, improving integrity in the passport application process and supporting a digital-first strategy. ESDC has been working with Immigration, Refugees and Citizenship Canada on passport modernization through the Identity Linkages Project. This project will allow for the authentication of the identity of individuals applying for passports.

Through the EI Inventory Reduction Strategy, over 300 employees were hired to process claims and reduce the accumulated inventory of claims to sustainable levels. At year-end, the inventory levels were 45 percent below the same period in 2014–15 and 37 percent below the same period in 2013–14. The Department met its fiscal year-end objective of reducing the initial and renewal inventory to a target level of 220,000. This positions the Department to consistently meet its EI speed of payment service standard of 80 percent. As a result of the IRS, speed of payment as of March 2016 was 83.8 percent and the initial, renewal and revised inventory was reduced to 212,733 claims.

Efforts in 2015–16 to modernize labour programs and services focused on adapting to the changing times, streamlining business processes and making better use of technology. This included targeting high-risk sectors for proactive occupational health and safety interventions, providing tools to promote mental health and safety in the workplace, renegotiating agreements with provinces on workers' compensation, and the increasing use of technology (e.g. e-reporting for the Federal Workers' Compensation Service, developing online tools to support compliance with labour standards, providing tablets to mobile Health and Safety Officers and leveraging technology to reach remote and First Nations communities). As well, progress was made toward the development and implementation of a single information technology system to encompass all the functions currently supported by numerous independent applications in the Labour Program, including workplace health and safety monitoring databases.

The Department successfully included enforceable labour provisions in free trade agreements with Israel, Ukraine and the Trans-Pacific Partnership and contributed to developing public support for Canada's free trade agreements.

During fiscal year 2015–16, the Department actively promoted an integrity-by-design approach that embeds integrity throughout the life cycle of a program or service, with a particular emphasis on prevention of error or fraud. This included providing analysis and advice on integrity risks and mitigations for service delivery modernization initiatives and conducting program compliance reviews to identify higher-risk areas in need of attention. In addition, the Department used advanced analytics and successfully implemented several predictive models to identify high-risk areas, triage workloads and claims, and identify previously undetected cases of error and/or fraud.

Priority 2: Implement ESDC service strategy

Implement a new service strategy to address the changing expectations of citizens with respect to online service, to make service delivery more affordable, secure and accessible, and to increase efficiency through streamlined, simplified and standardized processes and tools.

Priority Type: New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Complete the latest phase of the Employment Insurance automation agenda	January 2015	May 2017	On track	2.1 Skills and Employment
Plan the Employment Insurance service delivery modernization	April 2014	Planning: December 2017 Implementation: December 2023	On track	2.1 Skills and Employment 4.1 Income Security
Finalize the Old Age Security/Guaranteed Income Supplement and Canada Pension Plan service improvement strategies	OAS: September 2013 CPP: April 2015	OAS: June 2019 CPP: September 2019	On track On track	4.1 Income Security
Strengthen identity management	2011	Ongoing	On track	1.2.1 Passport 2.1.1 Employment Insurance 2.1.18 Temporary Foreign Worker Program 4.1.1 Old Age Security 4.1.2 Canada Pension Plan
Continue to modernize grants and contributions	April 2015	March 2016	Ongoing	2.1 Skills and Employment 4.2 Social Development
Advance the development of a secure e-account for citizens, business and stakeholders	April 2015	March 2019	Progressing	1.1.2 Government of Canada Internet Presence

Advance the Digital Service Strategy	April 2014	February 2016	Completed	1.1.2 Government of Canada Internet Presence
Complete the Canada Loans and Grants for Students and Apprentices Service Provider re-procurement	November 2012	April 2018	On track	2.2.1 Canada Loans and Grants for Students and Apprentices Program
Implement the Government of Canada and ESDC Service Strategy and the Treasury Board Service Policy	2014	Ongoing	On track	All programs

Progress toward the priority:

The Department's Employment Insurance (EI) automation agenda continued to build on earlier initiatives to further increase the efficiency and effectiveness of the EI processing model. In 2015–16, this included introduction of both public-facing and internal enhancements:

- Over 48,000 new organizations registered on Record of Employment (ROE) Web, and 84.1 percent of all ROEs were submitted electronically, which surpassed the target of 81 percent.
- The Issue Resolution Process 1.2 was implemented, which allowed claims that fall out of automation (because a manual action and agent decision are required) to be reinserted into the automated stream. Approximately 71 percent of all EI initial and renewal claims were fully or partially automated, which surpassed the target of 67.5 percent.
- Three new automated letters were implemented, which provided claimants with increased automated service. Forty-three percent of EI letters are now automated.

In addition, advancements in electronic services helped build the foundation for future client service improvements and self-serve functionality:

- The alignment between business and information technology is on plan for Appliweb re-Architecture, a key enabler for evolution towards increased processing automation and addressing revised claims.
- The development of the eNotification functional specifications enabled the Department to improve the online client experience and provide timely and meaningful claim-specific information through My Service Canada Account (MSCA). The take-up of MSCA by EI claimants continued to grow, increasing from 27.8 percent in 2013–14 to 36.2 percent in 2015–16.

Collectively, the initiatives undertaken as part of the EI automation agenda have led to improved efficiency and better service for Canadians.

During 2015–16, the EI Service Delivery Modernization initiative was renamed Benefit Delivery Modernization (BDM). The name BDM was adopted to reflect the initiative's expanded focus on EI, the Canada Pension Plan (CPP) and Old Age Security (OAS). The initiative will design modernized business processes, replace the suite of aging IT solutions with modern, commercial off-the-shelf application technology and address policy constraints to improved service delivery beginning with EI but ensuring scalability to support CPP and OAS program delivery. Progress made to date includes:

- completion of best practice, jurisdictional research and an environmental scan to inform the initiative through lessons learned from other commensurate large-scale transformations;
- establishment of detailed program scope and objectives; and
- establishment of a robust future state concept of operations and high-level business requirements.

The Department continued to advance the OAS Service Improvement Strategy:

- With the implementation of automatic enrolment, approximately 46 percent of new OAS beneficiaries no longer need to apply to receive their pension and had access to certain new e-services through My Service Canada Account.
- The Department mailed another 165,676 automatic enrolment letters to seniors, and since implementation has now sent over 465,000 automatic enrolment letters.
- Building on the successful implementation of the first phase of automatic enrolment, the Department completed detailed planning to expand automatic enrolment and client-centric e-services, and the migration of OAS to a common IT platform with the CPP.

The Department continued to develop a comprehensive CPP service improvement strategy to enhance electronic service offerings, enable online applications, increase automation and streamline benefit processing through modern business tools and processes. On June 1, 2015, an end-to-end online application for CPP retirement was launched. By the end of March 2016, over 52,500 seniors had applied using the new online service.

A comprehensive CPP-Disability Renewal was launched in fall 2015 in response to the Office of the Auditor General audit, including approval of a new Quality Assurance Framework.

The Department began implementation of a comprehensive Pensions Integrated National Workload Plan in May 2015 that focused on a number of immediate and longer-term initiatives to address the growing workload pressures associated with the aging population in advance of the full implementation of the two service improvement strategies.

As of March 31, 2016, 86 percent of programs have implemented the ESDC Identity Management Policy. The Department has adopted the Business Identity Validation Standard, which completes the policy by providing programs with a consistent approach to registration, authentication and validation for all clients, individuals and businesses. The implementation of the policy strengthens identity management of programs and supports the delivery of services offered by ESDC. This project is ongoing in order to support new programs and changes in service delivery.

In meeting the Department's obligation under the *Main Point of Contact with the Government of Canada in case of Death Act*, an online death reporting service is being developed for the Social Insurance Register to receive electronically the information on the passing of Canadians from funeral home directors. The new service, which will impact all SIN-enabled programs, will support a "tell-us-once" approach to reporting a death, streamline the administration of death information for programs using the Social Insurance Number, automate existing manual processes (i.e. receiving death notifications via fax machines) and achieve cost savings. Work is being undertaken by the Joint Councils (Public Sector Service Delivery Council and Public Sector Chief Information Officer Council) to establish a blueprint to improve the timeliness of death registrations and notifications, with a view to improving the service experience for citizens and the integrity of key government programs. This initiative, which began in June 2015, is on track and is expected to reach finalization in 2020.

In 2015–16, the Department continued to modernize grants and contributions (Gs&Cs) by increasing efficiencies through streamlined, simplified and standardized processes and tools and improving the web-based experiences of Canadians through enhanced Gs&Cs online services. The following enhancements related to Gs&Cs modernization were released in 2015–16:

- The Grants and Contributions Online Services (GCOS) introduced an electronic signature process for agreements which eliminates the need for hand-written signatures leading to increased efficiencies throughout the project life cycle.
- Streamlined and automated the process of applying for Canada Summer Jobs (CSJ) funding and the ability to manage active CSJ projects completely online through the GCOS.
- Efficiencies were created for the internal CSJ application review through the automation of assessment, bulk approval functions and project management.
- Paper to Online functionality was implemented for CSJ. This allowed organizations which applied by paper to convert their applications to the GCOS system.
- The Common System for Grants and Contributions was enhanced to improve information management practices and system processing capacity.

The eAccount secure portal user interface design was initiated. In preparation for development, usability testing was undertaken to ensure portal design enhancements would deliver a modern digital government service that is easy, fast and secure.

The Digital Service Strategy developed a sequenced approach to increased digital service delivery and underlies the new ESDC Service Strategy.

Significant progress was made on the Canada Loans and Grants for Students and Apprentices Program re-procurement initiative and subsequent new business model implementation. Specifically, all bid evaluation components were completed and a new contract with a start date of April 1, 2018, was awarded. Transition planning activities have been initiated.

The Department has kept pace with the staged implementation of the Treasury Board Policy on Service, concentrating on the policy requirements currently in effect.

Priority 3: Support in-demand skills acquisition leading to employment

Support the acquisition of the skills and expertise needed for in-demand jobs, further improve the quality and availability of information regarding in-demand skills and expertise, and encourage greater employer participation in skills training decisions.

Priority Type: New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Negotiate and implement amended Labour Market Development Agreements	April 2015	TBD	Ongoing (under new mandate)	2.1.2 Labour Market Development Agreements
Continue to implement the Job Match service that will enable employers to access Express Entry candidates	April 2015	Ongoing	On track	2.1.12 Job Bank
Strengthen apprenticeship systems by ensuring the Red Seal program is the recognized standard certificate of competency in the skilled trades	April 2015	Ongoing	On track	2.1.15 Skilled Trades and Apprenticeship (Red Seal Program)
Ensure that interns in the federal jurisdiction receive occupational health and safety protections	April 2015	June 2015	Complete	3.1.2.1. Occupational Health and Safety

Progress toward the priority:

In Budgets 2013 through 2015, the Government of Canada signaled its intention to strengthen the Labour Market Development Agreements (LMDAs) in consultation with the provinces and territories (P/Ts) in order to reorient training to meet labour market demand. Negotiations were undertaken in 2015, but no amended agreements were signed with P/Ts before the October 2015 federal election.

Ensuring that workers are well prepared for good-quality jobs is an important means of strengthening the middle class, and helping those working hard to join it. Budget 2016 committed an additional $125 million in 2016–17 for LMDAs to help unemployed workers prepare for good-quality jobs. Budget 2016 also committed to broad-based consultations with provinces, territories and stakeholders in 2016–17 to identify ways to improve the intergovernmental labour market agreements and guide future investments to strengthen labour market programming.

Another key supporting initiative for ESDC in 2015–16 was continuing to implement and support the Job Match service through Job Bank. As of March 31, 2016, 47,995 employers had created an account on the new Job Bank for Employers (around 4,000 employers were still using the legacy Job Bank for Employers module), and 33,956 job seekers had an active Job Match profile, of which 40 percent belonged to Canadian citizens and permanent residents, and 60 percent belonged to Express Entry candidates. Since Job Match launched in 2015, a total of 158,779 users published a job seeker profile, of which 88,286 were Express Entry candidates. Furthermore, in 2015, Job Bank began co-delivering with the Northwest Territories and Newfoundland and Labrador. Job Bank also held discussions with British Columbia, Saskatchewan and Quebec, the three remaining provinces that continue to maintain independent job boards.

In terms of the initiative to strengthen apprenticeship systems, new Red Seal Occupational Standards were developed to ensure long-term sustainability of harmonized training. The Department, as directed by the Forum of Labour Market Ministers (FLMM), also continued to advance and implement harmonization changes to apprenticeship programs in most P/Ts for intake by September 2016 for Red Seal trades in Phase 1 [Carpenter, Metal Fabricator (Fitter), Welder, Ironworker (Generalist), Ironworker (Structural/ Ornamental), Ironworker (Reinforcing), Mobile Crane Operator/Mobile Crane Operator (Hydraulic) and Tower Crane Operator].

Additionally, there has been significant progress made by the Canadian Council of Directors of Apprenticeship, with support from ESDC, in launching pan-Canadian consultations in Red Seal trades in Phase 2 [Heavy Duty Equipment Technician, Truck and Transport Mechanic, Agricultural Equipment Technician, Automotive Service Technician, Industrial Mechanic (Millwright), Construction Electrician, Industrial Electrician, Steamfitter/Pipefitter and Plumber]. This is on track to meet the FLMM revised goal of harmonizing training in Red Seal trades covering two-thirds of apprentices by 2017. In terms of Phase 3 of harmonization changes, 15 trades have been identified for implementation to meet the FLMM goal of harmonizing training in 30 Red Seal trades covering 90 percent of apprentices by 2020.

Finally, to improve employer engagement in apprenticeship, ESDC, through the FLMM, continued to work with P/Ts. A review of initiatives currently offered by governments across the country to support apprenticeship was completed and is informing recommendations of further collaborative efforts to promote and encourage employer participation in apprenticeship.

The *Canada Labour Code* was amended to provide protections to interns. The expanded protections include the right to refuse dangerous work and the opportunity to participate in health and safety committees, among others.

Priority 4: Maximize labour market participation of under-represented groups

Maximize the participation of under-represented groups through creating new opportunities for the acquisition of in-demand skills and expertise, strengthening existing supports and ensuring access to job training and education.

Priority Type: New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Renewal of the Aboriginal Skills and Employment Training Strategy	April 2015	March 2017	Ongoing	2.1.9 Aboriginal Skills and Employment Training Strategy
Renewal of the Skills and Partnership Fund	April 2015	March 2021	On track	2.1.10 Skills and Partnership Fund
Improve foreign credential recognition	April 2015	Ongoing	On track	2.1.17 Foreign Credential Recognition Program
Support employers in the federal jurisdiction to improve representation of designated employment equity groups	April 2015	Ongoing	On track	3.1.3.2 Workplace Equity

Progress toward the priority:

The Aboriginal Skills and Employment Training Strategy (ASETS) was extended to March 31, 2017, and Terms and Conditions were amended to facilitate implementation. The 84 existing contribution agreements were also extended to ensure continuity of skills and job training, and employment support services to Indigenous Canadians all across the country. As a first phase of renewal of ASETS, Budget 2016 announced an additional $15 million in funding over two years to enhance training that aligns with community needs. Budget 2016 also announced that Indigenous groups would be engaged towards renewal of the program.

Additionally, in 2015, the Skills and Partnership Fund (SPF) was renewed as an ongoing program at $50 million/year starting in 2016–17 to 2020–21. To preserve the continuity of the program before its renewal, transitional funding of $16.5 million was allocated to support the continuation of successful projects in priority sectors. The SPF Terms and Conditions were amended as needed to implement the renewed program.

ESDC also continued to improve foreign credential recognition in 2015–16 by completing Occupational Action Plans for the third set of targeted occupations (Audiologists and Speech Language Pathologists, Geoscientists, Midwives and Psychologists). All of the action plans have been approved by the Forum of Labour Market Ministers (FLMM) senior officials with the exception of the Law Profession. Additionally, the redesign of the Labour Mobility Coordinating Group website, as well as the ESDC web portals on labour mobility and foreign credential recognition, was completed. Finally, recommendations received from the 2014 Panel were included in the 2016–17 Foreign Qualifications Recognition (FQR) Working Group work plan to inform recommendations for addressing barriers to FQR.

Through the Workplace Opportunities: Removing Barriers to Equity grant and contribution program, the Department provided support to five federally regulated private-sector employers to improve representation of women, Indigenous peoples, persons with disabilities and members of visible minorities in their workplace. In addition, a national diversity recognition program was instituted.

Priority 5: Implement efficient enterprise solutions that support the business vision

Reduce the risks and costs associated with the aging of hardware and software as well as the costs and processing times for human resources, finance and contracting services while updating information technology infrastructure and platforms to support external and internal service delivery.

Priority Type: New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Complete the Mainframe Legacy Application Migration Project (update the departmental platform that supports approximately 130 applications)	November 2012	April 2017	Project phase: Build/ Deploy	1.1 Service Network Supporting Government Departments 1.2 Delivery of Services for Other Government of Canada Programs 2.1 Skills and Employment 3.1 Labour 4.1 Income Security 4.2 Social Development 5.1 Internal Services

Update the Department's IT infrastructure through the following Shared Services Canada (SSC)-led initiatives: Consolidation of Data Centres; Transformation of Telecommunications; Email and Workplace Technology Devices	October 2013	March 2022	Approved and started	1.1 Service Network Supporting Government Departments 1.2 Delivery of Services for Other Government of Canada Programs 2.1 Skills and Employment 3.1 Labour 4.1 Income Security 4.2 Social Development 5.1 Internal Services
Continue the implementation of Enabling Services Renewal Program (electronic service delivery of key internal services)	April 2015	May 2016	Closed	5.1 Internal Services
Hosted Contact Centre Solution (formerly known as Renew Contact Centre Technology)	April 2013	February 2019	Delayed	Links several Sub-Programs under Programs: 1.1, 1.2, 2.1, 3.1, 4.1, 4.2
Continue to enhance Investment Planning and Project Management Processes and Capacity	April 2015	Ongoing	On track	5.1 Internal Services
Implement the Government of Canada Transformation of Pay Administration Initiative	April 2014	April 2016	On track	5.1 Internal Services

Progress toward the priority:

In May 2015, ESDC returned to the Treasury Board (TB) seeking project approval and expenditure authority for the work to be undertaken for the Build/Deploy and Close-Out Stages of the Mainframe Legacy Application Migration Project (MLAMP). In July 2015, a comprehensive governance model was developed and implemented that includes a cross-representation of partner organizations. A comprehensive internal risk and issue management strategy has been implemented, which includes the development of a risk management plan and integrated risk and issue register. As such, MLAMP is developing mitigation and contingency plans against all known material risks and issues being reported to the project. ESDC developed and is executing a comprehensive change management and communications strategy to ensure employees are engaged and informed.

The Shared Services Canada (SSC) project for the consolidation of email systems is still on hold with no new partner migrations planned within the Government of Canada. ESDC is working with SSC on integrated project planning and departmental preparations for eventual migration.

The Department continues to work with SSC to plan and execute the migration of ESDC business systems and applications from old data centres to new enterprise data centres. In 2015–16, a workload process roadmap was created and is being finalized with SSC stakeholders. A Master application tool has been developed which pulls information from the Corporate Solution Directory (applications) and the Definitive Media Library and leverages this tombstone information to generate a roadmap for the migration of solutions and components to the End-State Data Centres. The Project Charter has been submitted and, once approved, the schedule for migration/roadmap can begin (in fiscal year 2016–17).

The use of collaborative technologies was expanded by enhancing the videoconferencing feature of Lync for approximately 2,350 employees. My Virtual Meeting Room was launched in February 2016 and provides a permanent videoconference bridge that employees can register for and use. As of March 2016, the Government of Canada Wi-Fi service is functioning and supports are in place.

The Department continued its implementation of an integrated, client-centred "click-call-consult" internal services model through the Enabling Services Renewal Program (ESRP). In 2015–16, the ESRP continued to deliver on its key milestones with the successful implementation of PeopleSoft v9.1 for human resources management, the second of two Enterprise Resource Planning systems. Given the magnitude of implementing this second Enterprise Resource Planning system and the resulting transformation of system-enabled business processes, an integrated and robust communication, engagement and change management plan was implemented, along with a targeted approach to training according to employee role and responsibility in the organization. Business processes were also aligned to system functionalities.

A Hosted Contact Centre Solution was procured by SSC in October 2015. The Department will migrate from its current contact centre tools and technologies to a government-wide, centralized, modern and responsive hosted contact centre platform. Through active collaboration of key stakeholders and partners, and participation of the oversight committees governing this initiative, the Department has advanced its readiness to migrate its contact centres; developed common business requirements in collaboration with the Canada Enquiry Centre; and refined business requirements in collaboration with the National Service Desk, its proposed pilot migration site. Further, the Department has strengthened its pre-migration planning efforts through collaboration and engagement with industry experts as well as other government departments.

Over the past year, ESDC has significantly improved its investment planning and project management processes and increased capacity through further developing the Project Management Information System, adding new processes, developing a comprehensive training curriculum to help build project management competencies in the Department, providing extensive user training on the system, and increasing support for project personnel and executives. Project management processes were greatly improved with the introduction of a project change management process, and a project program management process which facilitates better cost, time and scope tracking as well as providing greater integration of projects across the portfolio. Furthermore, a benefits management framework was completed that will be implemented over the coming years. Support for project management personnel was bolstered with the development of a Capacity on Demand contract for Statement of Work writers that will allow project teams to more easily procure consultants for project activities. New project management advisors were introduced this past year as well to support departmental project leaders and executives with expert project management consultation throughout the project life cycle.

Pay services were consolidated under the Pay Centre in Miramichi, New Brunswick, and the Regional Pay System was replaced with Phoenix. With the implementation of the PeopleSoft v9.1 system for human resources management, the Human Resources Services Centre portal was updated to respond to pay-related service enquiries for employees and managers, and the data entry processes were aligned with the new systems.

Priority 6: Value information as a business asset

Use information resources to identify opportunities and provide enhanced support for decision-making, ensure that private/sensitive information is safeguarded, that best practices to protect personal and sensitive information and good record keeping practices are in place.

Priority Type: New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Full implementation of the Electronic Documents and Records Management Solutions	April 2014	January 2019	Paused	5.1 Internal Services
Continue the implementation of the Privacy Management Action Plan that supports the continuous improvement of controls and practices related to sensitive information	April 2015	Ongoing	On track	5.1 Internal Services
Improve departmental security including implementing the Information Technology Security Plan that will result in more robust controls and preventative measures to protect against cyber threats	April 2015	March 2016	2015–16 IT Security Action Plan: Completed 2016–17 IT Security Framework: Approved	5.1 Internal Services
Advance the e-Payroll Information Service (the collection of employer payroll and employment information)	April 2015	TBD	On track	2.1. Skills and Employment

Progress toward the priority:

The Department is leveraging feedback and consultations that were conducted with the six branches that have onboarded to the Electronic Documents and Records Management Solutions (EDRMS). After completing work with second wave branches, the EDRMS team decided to temporarily hold off onboarding and examine the issues raised by branches to date to identify what must/can be addressed, recognizing the need for an enterprise solution for the Department. Wave 1 and 2 Information Management Leads were consulted in order to validate and clarify some of the issues raised. As well, they were asked to identify their top issues from a business perspective. An analysis is currently being conducted to determine a suitable way forward for the full implementation of an appropriate documents and records management solution. A revised plan was brought to the Corporate Management Committee and approved. The Department is targeting the fall to return to the Major Projects and Investments Board with a complete plan.

In 2015–16, ESDC continued to make important progress on the implementation of its privacy management priorities:

- strengthened planning and reporting on privacy to support ESDC's annual privacy and information security workplan;
- management and coordination of Privacy Impact Assessments on new programs and activities;
- a refresh of the Department's Program-Led Privacy Action Plans;
- development and update of information sharing arrangements; and
- privacy and security awareness activities for employees, including a Privacy Awareness Week and Data Privacy Day; and continued online and in-person privacy training and awareness activities.

ESDC is moving forward with the multi-year, integrated departmental security program, strengthening the protection of information holdings and aligning the government-wide and ESDC-specific security direction. In 2015–16, in addition to procuring and working with Shared Services Canada on IT Security Tools to assist operations, the security program focused on increasing communications, awareness and training, including phishing exercises, updating online courses for IT Security Essentials and initiating a proof of concept on the use of Gamification for an innovative approach to adult learning. The Department also updated its application risk management approach to the new Security Assessment and Authorization process and is integrating "Security by Design" approaches into the Branch's System Development LifeCycle.

ESDC is advancing the development of an information service to collect employer payroll and employment data in real time. In January 2016, the project successfully obtained support to move into the concept initiation stage of work. ESDC established and led regular engagement with various stakeholders to communicate and refine the vision of ePayroll and incrementally develop the future state design. The initiative is presently in the opportunity identification phase.

For more information on organizational priorities, see the **Ministers' mandate letters**.[4]

Section II: Expenditure Overview

Actual Expenditures

Budgetary Financial Resources (dollars)

2015–16 Main Estimates*	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference
54,265,536,116	116,790,417,713	123,042,060,755	122,843,712,094	6,053,294,381

* Employment Insurance and Canada Pension Plan benefits are excluded from the Department's Main Estimates but included in Planned Spending, in the Total Authorities Available for Use and in the Actual Spending.

The difference between planned spending and actual spending is mainly attributable to the Universal Child Care Benefit ($5,907.4 million) and to Employment Insurance (EI) benefits ($1,288.3 million) being higher than planned spending 2015–16. These underestimations were partly offset by overestimations of both the OAS benefit payments ($-587.7 million) and the CPP benefit payments ($-879.9 million) as part of the planning process in 2015–16.

Human Resources (full-time equivalents – FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference
20,584	21,010	426

Budgetary Performance Summary

Budgetary Performance Summary for Programs and Internal Services (dollars)*

Programs and Internal Services	2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending***	2017–18 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2014–15 Actual Spending (authorities used)***	2013–14 Actual Spending (authorities used)***
Program 1.1: Service Network Supporting Government Departments	63,199,999	63,199,999	59,956,885	59,958,885	56,681,863	55,566,034	55,744,363	56,155,311
Program 1.2: Delivery of Services for Other Government of Canada Programs	160,024,593	160,024,593	164,172,167	1,691,223	138,699,831	133,440,054	157,236,664	114,011,116

Program 2.1: Skills and Employment	2,384,959,874	20,563,499,451	22,187,663,325	22,318,244,911	21,940,361,304	21,794,776,029	20,440,879,133	19,798,499,077
Program 2.2: Learning	2,391,384,094	2,391,384,094	2,479,065,886	2,616,586,101	2,494,776,595	2,489,519,001	2,555,842,600	2,194,839,183
Program 3.1: Labour	289,750,470	289,750,470	276,475,615	276,120,673	252,133,391	251,871,310	248,564,407	269,144,868
Program 4.1: Income Security	46,817,095,262	88,450,510,738	92,909,168,672	97,980,126,626	87,045,040,493	87,042,524,292	83,569,177,338	79,787,670,175
Program 4.2: Social Development	3,081,658,183	3,081,658,183	7,933,212,853	8,002,511,370	8,985,948,747	8,961,100,867	2,940,137,196	2,992,893,293
Internal Services	906,173,311	906,173,311	860,183,573	798,068,146	947,436,515	892,479,726	899,807,522	949,352,111
Other costs**	–	884,216,874	1,208,650,163	1,387,153,829	1,180,982,016	1,222,434,781	1,064,277,814	767,901,937
Adjustment***	–	–	–	–	–	–	–	–
Total	**56,094,245,786**	**116,790,417,713**	**128,078,551,139**	**133,440,461,764**	**123,042,060,755**	**122,843,712,094**	**111,931,667,037**	**106,930,467,071**
Vote netted revenues	(1,828,709,670)							
Total at Net	**54,265,536,116**							

* Budgetary expenditures include respendable revenues since respendable revenues are mainly related to administrative costs charged to the Canada Pension Plan and Employment Insurance Operating Account which are part of ESDC operations.

** Other costs include administrative costs of other government departments charged to the Employment Insurance Operating Account and the Canada Pension Plan. It also includes Employment Insurance doubtful accounts and recoveries from other government departments, mainly related to Worker's Compensation Costs and Passport Services delivery.

*** Actuals have been reinstated to be presented as per the Program Alignment Architecture 2015–16.

Budgetary Performance Summary for Programs and Internal Services

The overall increase in spending of $26.5 billion from 2013–14 actual spending to 2017–18 planned spending can mainly be explained by increases to Canada Pension Plan (CPP) and Old Age Security benefits caused by the aging population and changes in the average monthly benefits. It is also attributable to the Universal Child Care Benefit (UCCB) enhancement which became effective in January 2015.

The significant reduction in planned spending from 2016–17 to 2017–18 for Delivery of Services for Other Government of Canada Programs is mainly explained by the need to renew agreements on passport services funding in 2016–17. The Department will have to request funding for 2017–18 and future years. As for the variance between planned

spending for 2015–16 and actual spending for 2015–16, the difference is mainly due to the contingency reserve that was created for unexpected circumstances and not used. The unused funds remain in the non-lapsing Passport Revolving Fund.

Under Skills and Employment, the difference in financial resources from the 2015–16 planned spending to 2015–16 actual spending is mainly due to higher Employment Insurance benefits than originally forecasted due to increased unemployment.

Under the Learning program, the overall increase in spending from 2013–14 actual spending to 2017–18 planned spending is a result of increases to the Canada Loans and Grants for Students and Apprentices Program, including the Canada Education Savings Grant and the Canada Learning Bond.

The variances related to Labour are mostly attributable to changes in Wage Earner Protection Program and Federal Workers' Compensation payments.

The overall increase under Income Security can be explained by increases in the number of beneficiaries and the average monthly benefits payments for Old Age Security ($9.3 billion) and the Canada Pension Plan ($8.7 billion).

In Social Development, the significant increase between Actual Spending 2013–14 and 2015–16 is mainly the result of the Budget 2015 enhancements to the Universal Child Care Benefit program that became effective in January 2015. The same reason applies for the variances that exist when comparing planned spending 2015–16 to actual spending 2015–16 as well as for the overall trend. Future plans were adjusted to reflect the impact of the new enhanced Universal Child Care Benefit.

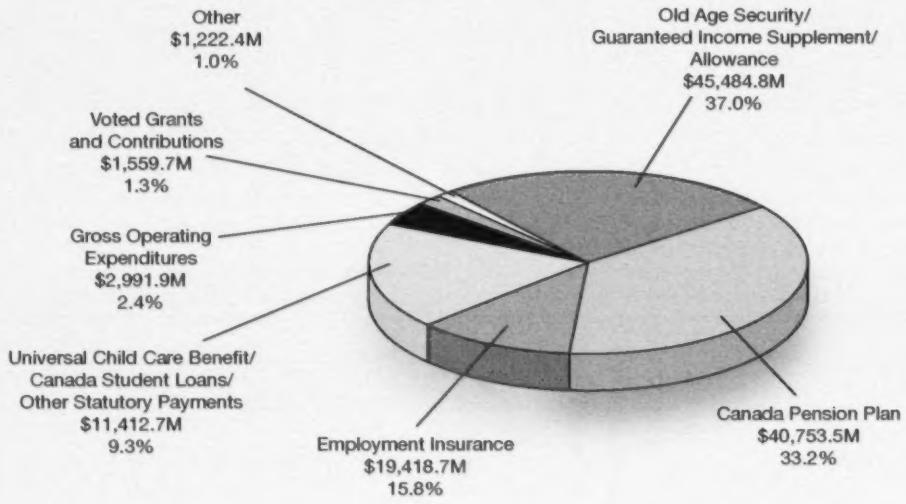
The overall decrease for Internal Services can be mainly explained by: reductions in administrative overhead; improved operational efficiencies for better use of resources in the areas of human resources, finance and technology; and consolidation of research and policy functions to better align with government priorities.

The variance of $158.2 million in actual spending under Other Costs from fiscal year 2014–15 to 2015–16 is mainly related to increased charges to the CPP from Other Government Departments as well as an increase in Employment Insurance doubtful accounts.

Departmental Spending Trend

ESDC expenditures on programs and services total $122.8 billion, of which $117.1 billion, or more than 95 percent, directly benefits Canadians through Employment Insurance (EI), the Canada Pension Plan (CPP), Old Age Security (OAS), the Universal Child Care Benefit (UCCB) and other statutory transfer payment programs. Departmental expenditures were $1.6 billion in voted grants and contributions and $2.0 billion for Part II of the *Employment Insurance Act*.

CONSOLIDATED TOTAL: $122,843.7M



EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA - GROSS EXPENDITURES
($ millions)

Budgetary		
Net Operating Costs		**1,166.0**
Add Recoveries in relation to:		
Canada Pension Plan	285.1	
Employment Insurance Operating Account	1,261.7	
Workers' Compensation	127.1	
Passport Services	145.2	
Other	6.8	1,825.9
Gross Operating Costs		**2,991.9**
Voted Grants and Contributions		**1,559.7**
Total Gross Expenditures		**4,551.6**
Other – Workers' Compensation and EI/CPP Charges and Recoveries		**1,222.4**

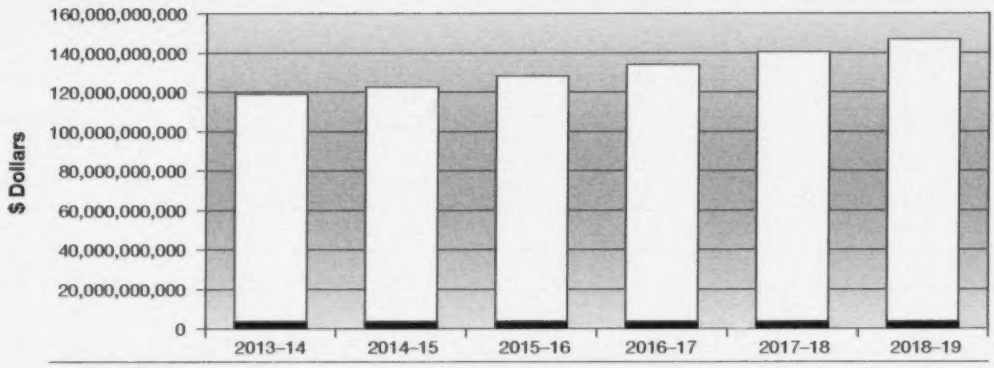
STATUTORY TRANSFER PAYMENTS
($ millions)

Grants and Contributions:		
Old Age Security		**35,050.5**
Guaranteed Income Supplement		**9,921.7**
Allowance		**512.6**
Other Statutory Payments:		
Universal Child Care Benefit	8,758.8	
Canada Student Loans	1,232.5	
Canada Education Savings Grant	820.6	
Canada Disability Savings Program	433.4	
Canada Learning Bond	118.9	
Wage Earner Protection Program	23.4	**11,387.6**
Sub-Total		**56,872.4**
Canada Pension Plan Benefits		**40,753.5**
Employment Insurance Benefits		
Part I	17,368.3	
Part II	2,050.4	**19,418.7**
Other Specified Purpose Accounts		**25.1***
Total Statutory Transfer Payments		**117,069.7**

* This amount includes payments related to Government Annuities Account and the Civil Service Insurance Fund.

The figure below illustrates ESDC's spending trend from 2013–14 to 2018–19. In the 2015–16 fiscal year, the Department spent $122.8 billion in achieving its expected results. Planned spending presented from fiscal year 2016–17 to 2018–19 corresponds to the forecasted planned spending presented in the *2016–17 Report on Plans and Priorities*.

Departmental Spending Trend Graph



	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Sunset Programs – Anticipated	–	–	–	–	–	–
Statutory	102,848,143,370	107,738,209,017	118,956,922,545	124,127,125,603	129,833,127,511	135,834,105,657
Voted*	4,082,323,701	4,193,458,020	3,886,789,549	3,951,425,536	3,607,334,253	3,594,302,896
TOTAL	**106,930,467,071**	**111,931,667,037**	**122,843,712,094**	**128,078,551,139**	**133,440,461,764**	**139,428,408,553**

* Voted expenditures include vote-netted revenues.

In 2014–15, the actual expenditures were $5.0 billion or 4.7 percent higher than 2013–14. This increase can mainly be explained by an increase of $2.3 billion for OAS/GIS payments and $1.4 billion for CPP benefit payments, caused by the aging population and changes in average monthly benefits. It is also the result of $0.7 billion of increased EI benefits mainly due to an increase in the average weekly benefit paid for EI benefits, which was partially offset by a decrease in the unemployment rate. The average monthly rate for the OAS basic pension was $531.75; $9.59 more than the average rate from 2013–14. There was also an increase for the average number of beneficiaries from 5.3 million to 5.5 million for fiscal year 2014–15.

In 2015–16, the actual expenditures were $10.9 billion or 9.7 percent higher than 2014–15. This can mainly be explained by an increase of $6.0 billion in the UCCB. This $6.0 billion increase results from the adoption of the enhanced benefit that became effective in January 2015. The remaining $4.9 billion increase is explained by increases to OAS/GIS payments ($1.4 billion) and to CPP benefits ($2.0 billion). These are mainly caused by the aging population and the changes in average monthly benefits. The average monthly rate for the OAS basic pension was $540.63, $8.88 more than the average rate from 2014–15. There was also an increase in the average number of beneficiaries from 5.5 million to 5.6 million for fiscal year 2015–16. Another component responsible for the variance in spending between the two years is the increase in EI benefits paid ($1.4 billion). The reason for this increase is a greater number of eligible individuals establishing claims for EI benefits than in 2014–15 and higher average benefit rates.

Expenditures by Vote

For information on Employment and Social Development Canada's organizational voted and statutory expenditures, consult the ***Public Accounts of Canada 2016.***[5]

Alignment of Spending with the Whole-of-Government Framework

Alignment of 2015–16 Actual Spending by With the **Whole-of-Government Framework**[6] (dollars)

Programs	Spending Areas	Government of Canada Outcomes	2015–16 Actual Spending
Program 1.1: Service Network Supporting Government Departments	Government Affairs	A transparent, accountable and responsive federal government	55,566,034
Program 1.2: Delivery of Services for Other Government of Canada Programs	Government Affairs	A transparent, accountable and responsive federal government	133,440,054
Program 2.1: Skills and Employment	Economic Affairs	Income security and employment for Canadians	21,794,776,029
Program 2.2: Learning	Economic Affairs	An innovative and knowledge-based economy	2,489,519,001
Program 3.1: Labour	Economic Affairs	A fair and secure marketplace	251,871,310
Program 4.1: Income Security	Economic Affairs	Income security and employment for Canadians	87,042,524,292
Program 4.2: Social Development	Social Affairs	A diverse society that promotes linguistic duality and social inclusion	8,961,100,867

2015–16 Total Spending by Spending Area (dollars)

Spending Areas	Total Planned Spending	Total Actual Spending
Economic Affairs	111,695,144,753	111,578,690,632
Social Affairs	3,081,658,183	8,961,100,867
Government Affairs	223,224,592	189,006,088

Financial Statements and Financial Statements Highlights

Financial Statements Highlights

The financial highlights are intended to serve as a general overview of ESDC's financial position and operations.

The following condensed consolidated financial statements are prepared in accordance with the Government's accounting policies, which are based on Canadian public sector accounting standards and are therefore different from reporting on the use of authorities, reflected in Sections II and III of this report. Reconciliation between authorities used and the net cost of operations is set out in Note 3 of the Department's consolidated financial statements.

These consolidated financial statements include the transactions of the EI Operating Account, a sub-entity under the control of ESDC. The accounts of this sub-entity have been consolidated with those of ESDC and all inter-organizational balances and transactions have been eliminated. The Canada Pension Plan (CPP) is excluded from ESDC's reporting entity because changes to the CPP require the agreement of two-thirds of participating provinces and it is therefore not controlled by the Government.

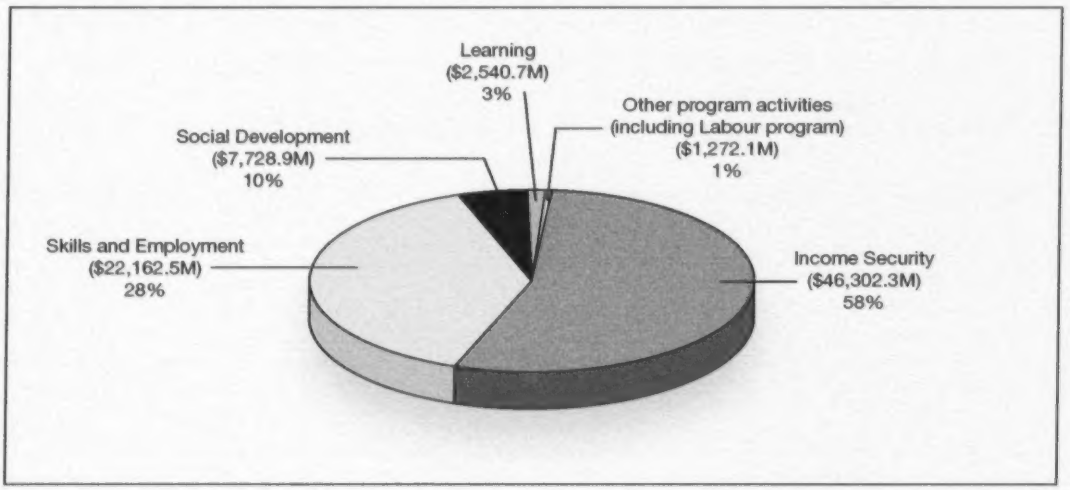
The unaudited departmental financial statements can be found on **ESDC's website**.[7]

Condensed Statement of Operations (unaudited)
For the year ended March 31, 2016 (dollars)

Financial Information	2015–16 Planned Results*	2015–16 Actual	2014–15 Actual	Difference (2015–16 actual minus 2015–16 planned)	Difference (2015–16 actual minus 2014–15 actual)
Total expenses	74,803,819,611	80,006,506,641	73,217,126,794	5,202,687,030	6,789,379,847
Total revenues	24,347,217,112	24,028,381,916	23,461,778,125	(318,835,196)	566,603,791
Net cost of operations before government funding and transfers	50,456,602,499	55,978,124,725	49,755,348,669	5,521,522,226	6,222,776,056

* The unaudited departmental future-oriented statement of operations can be found on **ESDC's website**.[8]

Expenses by major program activity



Actual over Planned

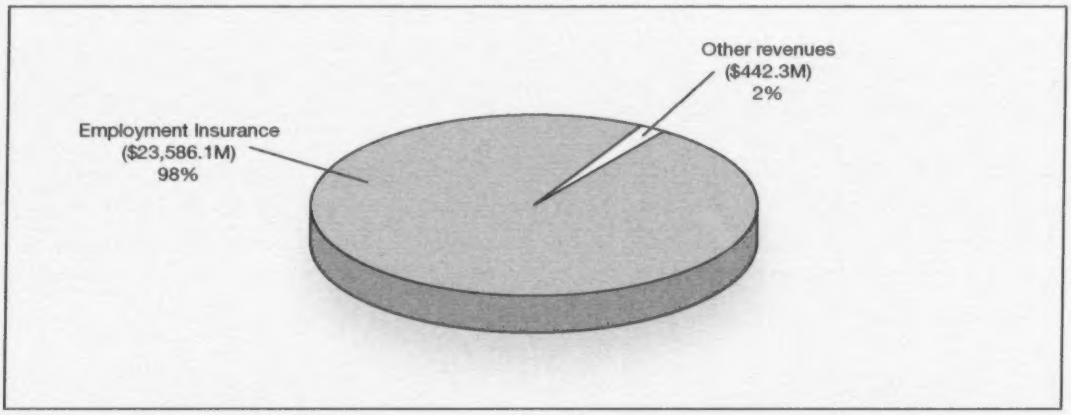
The 2015–16 expenses were $5,202.7 million higher than planned. The variance is mainly attributable to the enhancements to the UCCB program which were effective January 2015 and received parliamentary approval on June 23, 2015. In addition, EI benefits were higher than planned due to the higher than expected number of beneficiaries and to the higher average benefit rate.

Actual Year over Year

Total expenses for 2015–16 amounted to $80,006.5 million, an increase of $6,789.4 million over the previous year's total expenses of $73,217.1 million. The increase in expenses is mostly attributable to:

- an increase of $3,596.1 million in Social Development expenses, mainly due to the enhancements to the UCCB program effective January 2015;
- an increase of $1,489.9 million in Skills and Employment expenses, mainly due to an increase in the average weekly benefit paid for EI regular and special benefits (including parental, maternity and sickness benefits), and an increase in the number of EI beneficiaries; and
- an increase of $1,489.5 million in Income Security expenses, mainly due to the increase in the eligible population for OAS caused by the growing aging population and the increase in the maximum monthly benefit amount.

Revenues by Type



Actual over Planned

The 2015–16 revenues were $318.8 million lower than planned. The variance is mainly attributable to the total EI insurable earnings being lower than planned due to lower than expected growth in employment.

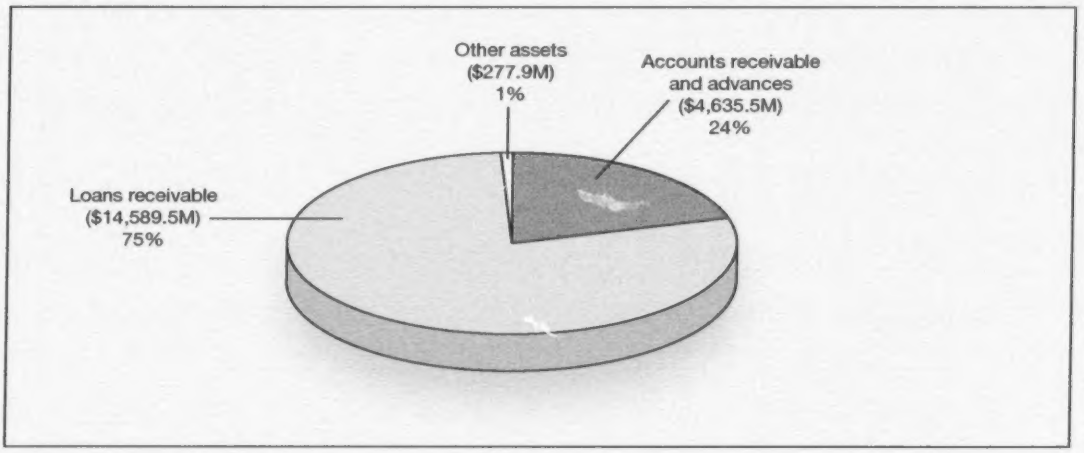
Actual Year over Year

Total revenues for 2015–16 amounted to $24,028.4 million, an increase of $566.6 million over the previous year's total revenues of $23,461.8 million. The majority of this increase can be explained by an increase in EI premiums related to employment, which went up by an average of 0.7% from 2014–15, as well as an increase in the maximum insurable earnings.

Condensed Statement of Financial Position (unaudited)
As at March 31, 2016 (dollars)

Financial Information	2015–16	2014–15	Difference (2015–16 minus 2014–15)
Total net financial assets	19,224,961,665	18,242,951,865	982,009,800
Total net liabilities	2,664,848,744	3,790,275,986	(1,125,427,242)
Departmental net financial asset	16,560,112,921	14,452,675,879	2,107,437,042
Total non-financial assets	277,921,707	304,201,154	(26,279,447)
Departmental net financial position	16,838,034,628	14,756,877,033	2,081,157,595

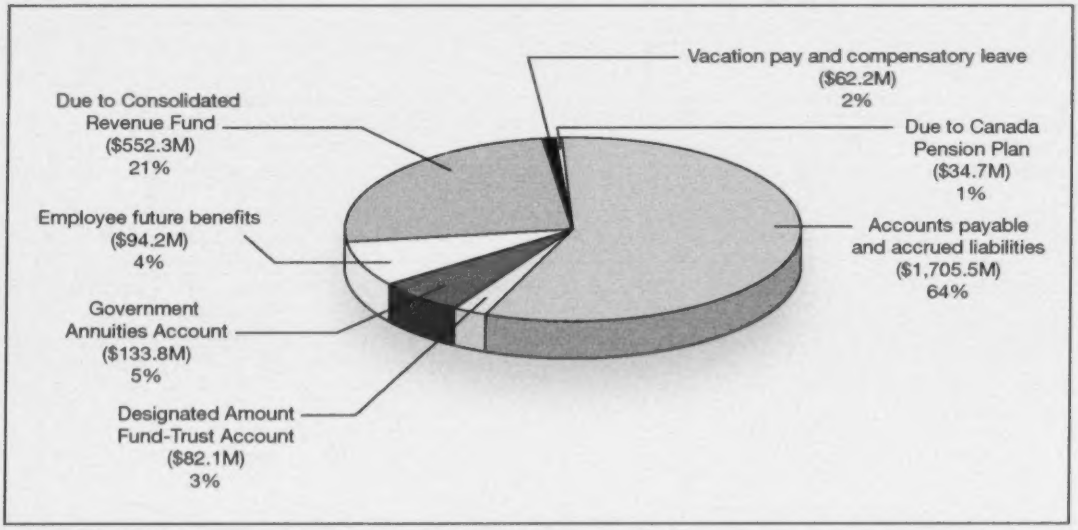
Assets by Type



Total assets (including financial and non-financials assets) amounted to $19,502.9 million as at March 31, 2016, an increase of $955.7 million over the previous year's total assets of $18,547.2 million. The increase in assets is mainly attributable to:

- an increase of $703.1 million in the Canada Student Loans net balance mostly caused by an excess of new loans disbursed over the total amount of repayments received; and
- an increase of $278.9 million in accounts receivable and advances, mostly due to an increase in EI premiums receivable from Canada Revenue Agency (CRA) that is in line with the overall premiums revenue increase and an additional increase in the OAS and EI benefit repayments receivable from the CRA due to the increase in the number of beneficiaries who, upon income tax assessment by the CRA, have an assessed net income that exceeds the income recovery threshold.

Liabilities by Type



Total liabilities amounted to $2,664.8 million as at March 31, 2016, a decrease of $1,125.5 million over the previous year's total liabilities of $3,790.3 million. The decrease in liabilities is mainly due to the decrease of $1,155.2 million in the amount payable recorded as at March 31, 2015, related to the enhancements to the UCCB program which were effective January 2015 and received parliamentary approval on June 23, 2015. The remaining change in liabilities is due to timing of year-end payments for other liabilities.

Financial Statements

Refer to the complete **Employment and Social Development Canada Financial Statements (Unaudited) for the Year Ended March 31, 2016**,[9] which also includes an Annex to the Statement of Management Responsibility Including Internal Control Over Financial Reporting.

Section III: Analysis of Programs and Internal Services

Programs

Service Network Supporting Government Departments

Description

This program supports Government of Canada programs by ensuring that Canadians have the information necessary to make informed choices about available programs and services, and the tools to access them, while supporting migration to preferred service channels. Canadians are able to access information about ESDC and other Government of Canada programs and services in the most accessible and convenient way, have their questions answered quickly and accurately, and receive or are directed to the information or service they need. Under this program, information and services are delivered to Canadians through the Internet, through 1 800 O-Canada and its customized telephone services as well as through a network of in-person points of service.

Program Performance Analysis and Lessons Learned

Treasury Board Secretariat (TBS) and ESDC were able to advance work on the functionality of the **Canada.ca** site. ESDC successfully launched the Managed Web Service and 13 institutions have been migrated into the **Canada.ca** website presentation and architecture. A better and more effective approach to migrating sites in **Canada.ca** as part of the Web Renewal Initiative is being implemented by TBS as the lead.

With respect to ESDC's own online presence (i.e. ESDC/Service Canada/Labour Program), the Department reviewed/archived/moved nearly 55 percent of its web pages to **Canada.ca** with a schedule to address the remaining 45 percent aligned with the schedule for onboarding to Canada.ca led by the Treasury Board Secretariat.

1 800 O-Canada call volumes were higher than forecasted this fiscal year. The number of calls answered was up by 11 percent compared to last fiscal year, while service requests increased by 15 percent. All major programs (EI, CRA, CPP/OAS, Passport) contributed to the increase in activity. Passport, up by 42 percent compared to the previous year, showed the largest relative increase. Additional drivers for the increase in calls included:

- cyberattack on government websites;
- CRA Universal Child Care Benefit (UCCB) mail-out (July);
- CPP/OAS enquiries (July/August/September);
- CRA GST credit – problems with direct deposits (October);
- elections (October);
- CRA Registered Disability Savings Plan (RDSP) campaign (November); and
- Syrian refugees (February).

For more information on programming details, please refer to **Supporting Information on Lower-Level Programs.**[10]

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
63,199,999	63,199,999	56,681,863	55,566,034	(7,633,965)

The difference is mainly due to the fact that this program includes planned amounts for which expenditures are presented under other programs. This program excludes amounts related to Employment Insurance, Old Age Security, Canada Pension Plan and Canada Pension Plan Disability Benefits which are presented under their respective programs (2.1.1, 4.1.1, 4.1.2 and 4.1.3). Delays in the investment projects supporting the Government of Canada Internet presence are also partly responsible for the difference.

Human Resources (full-time equivalents – FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference
490	399	(91)

This program includes planned FTEs for which expenditures are presented under other programs. This program excludes FTEs related to Employment Insurance, Old Age Security, Canada Pension Plan and Canada Pension Plan Disability Benefits which are presented under their respective programs (2.1.1, 4.1.1, 4.1.2 and 4.1.3).

Performance Results*

Expected Result	Performance Indicators	Targets	Actual and Historical Results
Canadians are able to access information about Government of Canada programs and services in the most accessible and convenient way	Percentage of Canadians with access to a Service Canada point of service within 50 km of where they live **Source:** administrative data	90%	**Actual Result:** 2015–16: 96.2% **Historical Results:** 2014–15: 96.1%** 2013–14: 95.9% 2012–13: 95.7% 2011–12: 95.8% 2010–11: 95.8%
	Percentage of 1 800 O-Canada calls accepted **Source:** administrative data	95%	**Actual Result:** 2015–16: 99.5% **Historical Results:** Not applicable (2015–16 was baseline year)

* Responsibility for website migration to Canada.ca resides with TBS. Indicator on website migration removed.

** Statistics Canada recently revised its methodology for estimating population geographically. Although the change produces more accurate estimates, comparisons of this year's result differ qualitatively from past results (however, the impact of the change on this year's result is estimated to be less than 0.5 percentage points).

Delivery of Services for Other Government of Canada Programs

Description

This program provides service delivery, oversight and monitoring on behalf of other government department programs through service delivery agreements. It provides Canadians access to a range of Government of Canada programs, benefits and services in person, by phone, by mail and over the Internet through the provision of basic and detailed program and service information; application intake and review for completeness; client authentication and validation of identity documents; quick and direct access to specialized agents in the other department; and provision of space in the service delivery network for other departments. It enables a move from department and program siloes to the achievement of a seamless service delivery network, resulting in timelier, accurate and cost-effective service delivery to Canadians.

Program Performance Analysis and Lessons Learned

The Department continued to provide in-person services to the public for Veterans Affairs Canada, the Canada Revenue Agency and Immigration, Refugees and Citizenship Canada. It also continued to support Indigenous and Northern Affairs Canada in administering Common Experience Payments. ESDC provided video conferencing and web publishing services to the Administrative Tribunal Support Service of Canada. In 2015–16, Customized Information Services delivered via the phone, on behalf of other government departments, met the partnership agreement service level standards 97 percent of the time while domestic travel documents and other passport service requests were processed in a timely fashion, well above the service standard at 99.8 percent of the time.

For more information on programming details, please refer to **Supporting Information on Lower-Level Programs.**

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
160,024,593	160,024,593	138,699,831	133,440,054	(26,584,539)

With the transfer of responsibility for the delivery of passport services to ESDC, the service was provided within dedicated resources. The difference is mainly due to the contingency reserve that was created for unexpected circumstances and not used. The unused funds remain in the non-lapsing Passport Revolving Fund.

Human Resources (full-time equivalents – FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference
2,286	1,977	(309)
With the transfer of responsibility for the delivery of passport services to ESDC, the service was provided within dedicated FTEs. The difference is mainly due to the contingency reserve that was created for unexpected circumstances and not used. The unused FTEs remain in the non-lapsing Passport Revolving Fund.		

Performance Results

Expected Result	Performance Indicator	Target	Actual and Historical Results
Other government department programs are delivered seamlessly with effective oversight in accordance with partnership agreements	Percentage of Customized Information Services calls answered within service level agreement standards **Source:** administrative data	95%	**Actual Result:** 2015–16: 97.1% **Historical Results:** Not applicable (2015–16 was baseline year)

Skills and Employment

Description

The Skills and Employment program is intended to ensure that Canadian labour market participants are able to access the supports that they need to enter or reposition themselves in the labour market so that they can contribute to economic growth through full labour market participation. Initiatives in this program contribute to the common overall objectives of promoting skills development, enhancing labour market participation and ensuring labour market efficiency.

Program Performance Analysis and Lessons Learned

The Employment Insurance (EI) program continued to support workers in pursuing employment opportunities and/or labour market transitions, thereby strengthening the middle class, and helping those working hard to join it. According to Statistics Canada's Employment Insurance Coverage Survey, in 2014, among the unemployed people who had paid EI premiums and either lost their job or quit with just cause, 83.1 percent were eligible to receive EI regular benefits. This exceeds the target of 80 percent. For additional information, please refer to Chapter II of the *2014/2015 Employment Insurance Monitoring and Assessment Report*.

Budget 2016 announced that the higher EI eligibility requirements that restrict EI access for new entrants and re-entrants would be eliminated. With these changes, new entrants and re-entrants will face the same eligibility requirements as other claimants in the region where they live. Other changes to EI proposed in Budget 2016 will be implemented in the current fiscal year.

Additionally, ESDC transformed training and skills development programming by:

- working with provinces and territories (P/Ts) to help unemployed workers prepare for good-quality jobs through the Labour Market Development Agreements;
- monitoring the results of the Connecting Canadians to Available Jobs Initiative;
- working with P/Ts on strengthening apprenticeship systems through harmonization changes to apprenticeship programs and improvements to employer engagement in apprenticeship;
- completing the Year Two Review of the Canada Job Grant and preparing the final report for release;
- improving employment outcomes for persons with disabilities by enhancing their employability, increasing employment opportunities and demonstrating the best possible results for Canadians on these investments through a new generation of Labour Market Agreements for Persons with Disabilities; and
- focusing Literary and Essential Skills program efforts towards more strategic investments and working with organizations with a broader reach.

The Department also enhanced labour market participation by:

- extending the Aboriginal Skills and Employment Training Strategy to March 31, 2017;
- renewing the Skills and Partnership Fund as an ongoing program starting 2016–17 to 2020–21;
- delivering the First Nations Job Fund program to Income Assistance recipients referred from the Enhanced Service Delivery system to provide training-to-employment and employment supports needed to secure jobs;
- working with P/Ts to implement the Action Plan for Better Foreign Qualification Recognition, as well as engage with the third set of target occupations under the Pan-Canadian Framework and work with the Red Seal trades on the implementation of pre-arrival supports;
- collaborating with other government departments to implement new directions in the Youth Employment Strategy (YES), and beginning to implement reforms from the YES review;
- launching a call for proposals to provide disabled youth with work experience, provide persons with disabilities with more hands-on work experience, and better target in-demand jobs through the Opportunities Fund for Persons with Disabilities;
- implementing Targeted Initiative for Older Workers programming through the delivery of projects that targeted unemployed older workers; and
- working with provincial/territorial apprenticeship authorities to offer apprentices applying for an apprenticeship grant with a more streamlined application process.

Finally, ESDC strengthened linkages with employer demand by:

- launching enhanced Job Bank services to better connect job seekers with employers;
- implementing the Labour Market Information National Work Plan 3.0 to improve a suite of labour market information products disseminated through Job Bank;
- working with provinces and territories to develop a business implementation plan for the Labour Market Information Council for consideration of the Forum of Labour Market Ministers;
- developing user-friendly web portals for Labour Mobility and Foreign Credential Recognition to provide more online information for Canadians;
- ensuring that employers have timely access to temporary foreign workers only when Canadians genuinely are unable to fill available jobs, and implementing stronger enforcement and tougher penalties for employers who do not comply with the requirements of the Temporary Foreign Worker Program;
- advancing the availability of local data on the supply of and demand for skills for official language minority communities; and
- enabling industry to identify, forecast and address skills issues through the Sectoral Initiatives Program by supporting the development of labour market intelligence, national occupational standards, and skills certification and accreditation systems.

For more information on Skills and Employment programming, please refer to **Supporting Information on Lower-Level Programs**.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates*	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
2,384,959,874	20,563,499,451	21,940,361,304	21,794,776,029	1,231,276,578

* Employment Insurance (EI) benefits are excluded from the Department's Main Estimates but included in the Planned Spending, in the Total Authorities Available for Use and in the Actual Spending.

The difference in financial resources is mainly due to higher EI benefit payments than forecasted largely because of increased unemployment. It is also due to the fact that planned spending at the time of the Report on Plans and Priorities did not include incremental funding approved for the Temporary Foreign Worker Program which was allocated to continue implementation of the 2014 reforms to the Program in fiscal year 2015–16.

Human Resources (full-time equivalents – FTEs)

2015–16 Planned Spending	2015–16 Actual Spending	2015–16 Difference (actual minus planned)
7,875	9,053	1,178

The difference in FTEs is mainly due to more employees dedicated to handle increased intake of EI claims. It is also due to the fact that planned spending at the time of the Report on Plans and Priorities did not include incremental funding approved for the Temporary Foreign Worker Program which was allocated to continue implementation of the 2014 reforms to the Program in fiscal year 2015–16. The increase in FTEs reflects the incremental funding and associated activities.

Performance Results

Expected Results	Performance Indicators	Targets	Actual and Historical Results
Workers have the flexibility and support to pursue employment opportunities or labour market transitions	Percentage of the unemployed population that had paid Employment Insurance premiums in the last 12 months and had a recent job separation that qualified under the Employment Insurance program **Source:** Statistics Canada, Employment Insurance Coverage Survey	80%	**Actual Result:** 2015: Not available* **Historical Results:** 2014: 83.1% 2013: 85.8% 2012: 81.9% 2011: 78.4% 2010: 83.9%
Canadians, including under-represented groups and vulnerable workers, have the opportunity to acquire skills to find and maintain productive employment	The proportion of clients employed or returned to school following a completed employment program intervention under the following federally delivered programs: Youth Employment Strategy, Opportunities Fund for Persons with Disabilities, Aboriginal Skills and Employment Training Strategy, Skills and Partnership Fund, and First Nation Job Fund **Source:** administrative data	70%**	**Actual Result:** 2015–16: 71% **Historical Results:** 2014–15: 76% 2013–14: 69.6% 2012–13: 66.6% 2011–12: 67.7% 2010–11: 56.8%

* There is a time lag in the availability of data. Statistics Canada is expected to release the 2015 Employment Insurance Coverage Survey in fall 2016.

** Indicator and target have been revised to include "returns to school" and results for First Nations Job Fund to maintain consistency with previously reported results.

Learning

Description

This program helps Canadians participate in post-secondary education to acquire the skills and credentials that enable them to improve their labour market outcomes and adapt to changing labour market conditions. It reduces barriers to education by providing financial assistance to students and apprentices as well as incentives for families to save for a child's post-secondary education. It also provides information and awareness about opportunities to acquire education and skills. The program contributes to the inclusiveness of the workforce by giving Canadians with the required academic abilities a more equal opportunity to participate in post-secondary education. The program works with the provinces and territories, the voluntary sector, financial institutions, service providers and other key stakeholders to help Canadians pursue post-secondary education.

Program Performance Analysis and Lessons Learned

Pathways to Education provides a comprehensive set of academic, financial and social supports to at-risk youth in low-income communities to improve academic outcomes. The Department provided funding to support the program as it continued to expand to include the opening of a new site in British Columbia.

In Budget 2016, the Government of Canada introduced a package of reforms to the Canada Student Loans Program that will make post-secondary education more affordable for students from low- and middle-income families, and ensure that student debt loads are manageable. Additionally, these measures will simplify the application process for student financial assistance, making the Canada Student Loans Program more transparent and predictable. The measures undertaken by the Department are based on engagement with stakeholders such as the Canada Revenue Agency (CRA) and provinces/territories, and include, for example:

- finalizing the revised Memorandum of Understanding between the Department and the CRA, reflecting a renewed approach to the management of collections;
- finalizing a delegation instrument allowing the Minister of Employment and Social Development to delegate specific authorities to CRA officials to streamline the process of student loan debt collection leading to improved recovery outcomes;
- working with the CRA to advance a plan to improve the communication and promotion of loan rehabilitation for defaulted borrowers; and
- working with provinces/territories to further our understanding of borrowers in repayment and advance analysis on potential improvements to repayment supports.

The Department also undertook more analysis to gain a comprehensive understanding of the characteristics of student loan borrowers throughout the loan life cycle. This work will inform the development of targeted strategies to support borrowers in repayment and to reduce default.

The default rate on student loans has decreased significantly over the last several years, falling from 28 percent in 2003–04 to a projected 10 percent for the cohort entering repayment in 2013–14, which is the program's lowest default rate. The decrease in the default rate can be attributed in part to program enhancements, such as improved loan repayment assistance measures, increased grant funding and a number of measures that have been introduced by the service provider to maintain loans in good standing.

In consultation with key stakeholders, such as the CRA and provinces/territories, the Department further strengthened its understanding of the characteristics of student loan borrowers throughout the loan life cycle. This work will inform the development of targeted strategies to support borrowers in repayment and to reduce default. The Office of the Chief Actuary has forecasted the future default rate to be 10.2 percent—the lowest rate in the program's history since the introduction of direct lending in 2000.

The Department has successfully completed its evaluation of all bids received in the response to the Request for Proposals for the Canada Student Loans and Grants for Students and Apprentices Program. The new contract was awarded in April 2016 and will be effective April 1, 2018. Transition planning activities, including resourcing, stakeholder relations and continued governance, were initiated.

For more information on Learning programming, please refer to **Supporting Information on Lower-Level Programs.**

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
2,391,384,094	2,391,384,094	2,494,776,595	2,489,519,001	98,134,907
The variance is primarily due to $172 million in write-offs of directly funded student loans which received parliamentary approval in the Supplementary Estimates 2015–16. This variance is offset by two major components. First, by the fact that the Alternative Payment was mainly affected by the Bank of Canada holding interest rates low in 2015 and secondly, by a lower than anticipated value of Canada Student Grants being disbursed.				

Human Resources (full-time equivalents – FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference
353	323	(30)
The variance can be explained by delays in staffing and unexpected departures.		

Performance Results

Expected Results	Performance Indicators	Targets	Actual and Historical Results
Canadians have the skills and credentials to succeed in the labour market	Canada's OECD ranking for the percentage of its population (aged 25 to 64) with post-secondary education credentials **Source:** Organisation for Economic Cooperation and Development, Education at a Glance 2016	1st	**Actual Result:** 2015: 1st* **Historical Results:** 2014: 1st 2012: 1st 2011: 1st 2010: 1st 2009: 1st 2008: 1st
	Percentage of the Canadian labour force (aged 25 to 64) who have attained a post-secondary education certificate, diploma or degree **Source:** Statistics Canada, Labour Force Survey	69.5%	**Actual Result:** 2015: 69.8% **Historical Results:** 2014: 68.4% 2013: 68.0% 2012: 67.5% 2011: 66.8% 2010: 66.0%
Canadians, including those from under-represented groups, can participate equitably in post-secondary education	The percentage of Canadians (aged 17 to 21) who were attending university or college **Source:** Statistics Canada, Labour Force Survey	43.7%	**Actual Result:** 2015: 43.4% **Historical Results:** 2014: 43.0% 2013: 42.8% 2012: 42.5% 2011: 41.5% 2010: 40.4%
Canadians, including those from under-represented groups, have access to financing for their post-secondary education****	Percentage and number of full-time post-secondary students (aged 15 to 29) in participating provinces/territories who used a Canada Student loan, and/or a Canada Student grant and/or an in-study interest subsidy to help finance their participation in post-secondary education **Source:** CLGSAP administrative data and the Actuarial Report on CSLP	48% (574,000)	**Actual Result:** 2015–16: 50% (562,000)** **Historical Results:** 2014–15: 46% (547,500) 2013–14: 47% (552,620) 2012–13: 47% (535,800)
Student loan borrowers can and do repay their loans****	Default rate each year is within +/- three percentage points of default rate in previous year **Source:** CLGSAP administrative data	+/- 3 percentage points	**Actual Result:** 2015–16: 10%*** **Historical Result:** 2014–15: 12% 2013–14: 13% 2012–13: 12%

Canadians are able to finance their participation in post-secondary education using Registered Education Savings Plan savings****	Percentage and number of full- and part-time post-secondary students (aged 15 to 29) who used Registered Education Savings Plan funds to help finance their participation in post-secondary education **Source:** administrative data and Statistics Canada, Labour Force Survey	21.5%	**Actual Result:** 2015: 23.1% (395,027) **Historical Results:** 2014: 22.2% (382,050) 2013: 21.0% (360,903) 2012: 19.5% (335,894) 2011: 18.5% (310,467) 2010: 17.9% (293,004)

* Statistics Canada has closed the reporting gap to one year and the 2013 result was not reported to the OECD.

** While the percentage of students has increased, the number of students has decreased as a result of declining enrolment in post-secondary education.

*** This indicator shows the three-year default rate of those Canada Student Loans borrowers who entered repayment in 2013–14 and will finish their third year of repayment in the current reporting year (2015–16). At the time of reporting, the 2015–16 loan year has not yet finished, therefore the three-year default rate is projected using the first two years of data.

**** Expected results and indicators have been added to better reflect the full scope of the program.

Labour

Description

This program seeks to promote and sustain stable industrial relations and safe, fair, healthy, equitable and productive workplaces in the federal jurisdiction. This jurisdiction includes all interprovincial transportation, post office and courier companies, telecommunications, banking, grain handling, nuclear facilities, federal Crown corporations, companies that have contracts with the federal government and Aboriginal governments and their employees. The Labour Program develops labour legislation and regulations to achieve an effective balance between workers' and employers' rights and responsibilities. The program also manages Canada's international and intergovernmental labour affairs.

Program Performance Analysis and Lessons Learned

In 2015–16, the Department continued to improve its business processes and service delivery through various initiatives. To ensure its mandate is both aligned with Government priorities and responsive to Canadians, new measures were implemented in a variety of areas which contributed to safer, fairer and more productive workplaces and cooperative workplace relations.

Transformation and Innovation

The Department, as part of its ongoing transformation agenda, continued to modernize and transform the way it delivers its core business to ensure that the policies, programs and activities are responsive to the evolving needs of Canadians. This included leveraging technology to increase engagement of the federally regulated businesses and to improve the quality of services offered to them. The Program used solid business intelligence and results-focused tools to support modernization options.

For example, the Department standardized and improved its business processes for the collection, processing and dissemination of collective bargaining information. This comprised the development of an IT-based solution to further automate business processes and enhance evidence-based research activities. Furthermore, to achieve increased business agility, operational effectiveness and more efficiency in service delivery, the Department continued to work towards integrating several existing databases and applications into one enterprise-wide system, including a client-facing service component.

The Department also modernized its Federal Workers' Compensation Service by adopting e-reporting, resulting in improved reporting time; 74 percent of claims were reported in 15 days or less, compared to the 71 percent target in 2014–15.

The Department continued to improve the way its employees interact and build relationships with stakeholders by making use of technology such as videoconference systems and WebEx to reach remote and First Nations communities, and tablets for Health and Safety Officers to support a mobile, flexible and responsive workforce.

The Department also conducted a pilot Lean Sigma exercise to streamline the monetary complaints handling process under Part III of the *Canada Labour Code* in the road transport/trucking industry. To improve client service quality, a number of tools were developed such as the online calculators for general holiday pay and vacation pay, mental health and safety resources tool for workplace parties, and four new hazard alerts.

Safe Workplaces

The Department facilitated compliance with Part II of the Code and its accompanying regulations to prevent accidents and injuries in federally regulated workplaces by encouraging and enabling employers to improve their reporting practices in order to convey a more accurate picture of workplace injuries.

To further improve occupational health and safety outcomes, the Department recruited eight new Health and Safety Officers. Furthermore, Health and Safety Officers spent 80 percent of their proactive time on conducting general inspections, engagement and counselling in sectors that were identified as a priority.

Although the rate of decrease in the Disabling Injury Incidence Rate fell short of the target (largely due to changes in computing method and reporting practice), the number of total injuries (minor, disabling and fatal) decreased by 3 percent over the same time period.

In 2015–16, the Department negotiated and signed various agreements on behalf of the Government of Canada. This included a signed service agreement with WorkSafeBC for the enhanced administration of the *Government Employees Compensation Act*. Negotiations with the workers' compensation boards of Alberta, Saskatchewan and Newfoundland and Labrador were also undertaken and are on track to conclude next year.

Fair Workplaces

The Department hosted four Employment Equity Achievement Awards ministerial events across Canada to acknowledge employers' efforts and achievements in implementing employment equity in their workforce.

The Department also successfully advanced Canada's international trade and human rights agenda through the negotiation of enforceable labour provisions in a number of significant free trade agreements, including with Israel, Ukraine and the Trans-Pacific Partnership. By doing so, it supported Canada's approach to include enforceable labour provisions in free trade agreements and contributed to developing public support for Canada's trade agenda.

Negotiated labour provisions in free trade agreements to promote and protect human rights, of which fundamental labour rights are an integral part. These provisions also support equitable growth in developing countries and contribute to reducing the growing global divide between rich and poor. For example, the Program provided technical assistance to Jordan, Honduras and Vietnam to help improve institutions of democratic governance and working conditions in their countries. Additionally, it also continued to work with China and Latin American countries, including Argentina and Chile, to improve their working conditions and labour standards.

To this end, a "framework for compliance" was produced and approved in principle to consider the development of a proactive monitoring and compliance approach to ensure that partner countries, especially those with whom Canada has free trade agreements, live up to their labour-related obligations. Monitoring instruments, such as targeted cooperative activities and longer-term capacity-building projects, would help address labour rights failures by a number of partner countries; as well as reducing any competitive advantage for trade or investment by those countries based on unacceptable labour standards or lack of enforcement.

Productive and Cooperative Workplaces and Workplace Relations

In 2015–16, the Department continued to provide mediation and conciliation services to the parties involved in collective bargaining negotiations. During the year, the Program dealt with 230 collective bargaining disputes under the Code across the country, resulting in 94 percent of disputes resolved without a work stoppage, exceeding the 90 percent target. During this period, only about 0.02 percent of available work time was lost due to work stoppages.

To develop and maintain good labour-management relationships and to promote labour stability, the Department provided relation development interventions, public workshops and consultations on labour regulations (e.g. psychological health and safety; confined spaces; violence prevention program; and interns). The Program also made use of social media to communicate information on workplaces in high-risk industries and the associated hazards. In addition, it launched a campaign to inform young workers about their rights and responsibilities and about workplace health and safety issues.

For more information on Labour programming, please refer to **Supporting Information on Lower-Level Programs**.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
289,750,470	289,750,470	252,133,391	251,871,310	(37,879,160)

The difference between Planned and Actual Spending is mainly the result of unused funds under the Wage Earner Protection Program due to relatively low demand on the program year after year. It is also the result of the Federal Workers' Compensation forecasts which have traditionally been much higher than actuals. Starting in 2016–17, expenditure forecasts have been lowered to align with trends.

Human Resources (full-time equivalents – FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference
638	645	7

Performance Results

Expected Result	Performance Indicator	Target	Actual and Historical Results
Workplaces are safe and healthy	Percentage annual (year-over-year) decrease in the disabling injuries incidence rate across all sectors in federal jurisdiction (combined) **Source:** Federal Jurisdiction Injuries Database	2% decrease	**Actual Result:** 2013–14:* increase of 6.6%** **Historical Results:** Not available

* Most recent data (2013 over 2014). Year 2015 data will only be available in 2017.

** This is a new indicator which tracks the decrease in the Disabling Injuries Incidence Rate (DIIR) across all industry sectors on an annual basis. The latest national DIIR shows an increase from 1.68 to 1.79 (6.6 percent increase). This is largely due to the changes in reporting practices by one industrial sector, representing approximately 5 percent of federally regulated employees. Over the last decade, the national DIIR decreased from 2.13 in 2005 to 1.79 in 2014 (16 percent decline). Despite the increase, the latest DIIR rate is the fifth lowest for the federal jurisdiction since1982.

Income Security

Description

This program ensures that Canadians are provided with retirement pensions, survivor pensions, disability benefits and benefits for children through the Old Age Security program, the Canada Pension Plan, the Canada Disability Savings Program and the National Child Benefit program.

Program Performance Analysis and Lessons Learned

In 2015–16, the Department continued to make improvements in the service delivery of the Old Age Security (OAS) program. To improve services for Canada's seniors, a proactive automatic enrolment regime was introduced in 2013. In 2015–16, the automatic enrolment functionality resulted in 46 percent of new OAS pensioners being enrolled without having to apply. Additionally, the Department advanced work on expanding automatic enrolment to more seniors for 2016–17 and on developing automatic enrolment for the Guaranteed Income Supplement (GIS).

In line with Budget 2016, to further strengthen income support for seniors, important discussions took place this year between the federal and provincial/territorial governments that led to an agreement in principle being reached in early 2016–17 on enhancing the Canada Pension Plan (CPP). Other changes to the GIS, the National Child Benefit and the Universal Child Care Benefit, and the implementation of the Canada Child Benefit that were proposed in Budget 2016 will be completed in the current fiscal year.

Furthermore, the Department continued to actively pursue international social security agreements with other countries to protect the income security and pension eligibility of individuals that have lived and worked in Canada and another country and to promote the competitiveness of Canadian companies operating abroad. These agreements coordinate the operation of the CPP and OAS program with the comparable pension programs of other countries for retirement, old age, disability and survivorship. Moreover, they permit continuity of social security coverage when an individual is sent to work temporarily in another country, and prevent situations requiring contributions to both countries' social security programs for the same work. To date, Canada has signed 59 social security agreements, of which 57 are in force, and continues to negotiate with a number of other countries. Through these agreements, approximately $544 million in foreign pensions are paid to individuals living in Canada annually, while approximately $169 million in CPP and OAS benefits are paid to persons living outside of Canada.

In 2015–16, the Department initiated a comprehensive renewal of the CPP disability benefit to transform program delivery to ensure it is adaptable, innovative and cost-effective. The Auditor General's report on the CPP disability benefit reinforced those areas for improvement.

In 2015–16, the Canada Disability Savings Program reported a cumulative 128,294 Registered Disability Savings Plans (RDSP) were opened for Canadians with severe and prolonged disabilities. The Department exceeded its expectations to raise the number of new RDSPs through the implementation of two mail-outs targeting Disability Tax Credit-eligible Canadians who did not yet have an RDSP. Following the two mail-outs, there was an increase in the number of new accounts opened in the subsequent months.

For more information on Income Security programming, please refer to **Supporting Information on Lower-Level Programs.**

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
46,817,095,262	88,450,510,738	87,045,040,493	87,042,524,292	(1,407,986,446)

Main Estimates do not include the planned statutory benefits of $41,633,415,476 related to the CPP, whereas the other columns do. As for the difference between planned and actual spending, it is mainly attributable to an overestimation of the number of beneficiaries that receive OAS pension benefits as well as an overestimation of the amount to be paid in CPP benefits in the planned spending 2015–16.

Human Resources (full-time equivalents – FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference
4,120	4,381	261

The difference between Planned and Actual FTE utilization is a result of additional resources to address the demographically driven increase in service delivery workload requirements of the OAS program.

Performance Results

Expected Results	Performance Indicators	Targets	Actual and Historical Results
Canada's seniors have an adequate level of income to maintain their standard of living	Percentage of seniors with an annual income above the low income cut-off* **Source:** Canadian Income Survey	Not applicable (contextual indicator**)	**Actual Result:** 2014: 96.1%*** **Historical Results:** 2013: 96.3% 2012: 95.4% 2011: 93.5% 2010: 94.0%
Eligible individuals with severe disabilities (and their families/ guardians) open Registered Disability Saving Plans to save for the future	Total number of registered plans since the inception of the program **Source:** administrative data	100,000	**Actual Result:** 2015–16: 128,294 **Historical Results:** 2014–15: 100,732**** 2013–14: 83,594 2012–13: 67,756 2011–12: 54,787 2010–11: 42,678

Canada's families with children have an adequate level of income to maintain their standard of living	Percentage of families with children with an annual income above the low income cut-off (percentage of Canadians in families with children who had low income; percentage of Canadians in families with children who would have had low income without the support of the National Child Benefit Supplement and the Universal Child Care Benefit) **Source:** Canadian Income Survey	Not applicable (contextual indicator)	**Actual Result:** 2015–16: Not available*****

* Since 2012, Statistics Canada has been using another method (the Canadian Income Survey, rather than the Survey of Labour and Income Dynamics) to calculate the data. Therefore results using data prior to 2012 are not directly comparable and are not reported.

** Contextual indicators are used by the Department to monitor overall social trends and inform policy development. Specific outcomes are not actively targeted in the areas measured by this indicator.

*** There is a time lag in the availability of data.

**** This number was provided as an estimate at the time where data were not available for the actual result of the fiscal year. The actual result is 101,064 and is reflected as such in the chart.

***** The performance results for the National Child Benefit Supplement were produced through simulation using Statistics Canada's official source of income data. Beginning in 2012, that source of data became the Canadian Income Survey, which replaced the long-standing Survey of Labour and Income Dynamics. Simulation results for 2012 and subsequent years are not available. As announced in Budget 2016, the National Child Benefit is replaced with the new Canada Child Benefit. The Department of Finance will report on performance of the Canada Child Benefit going forward.

Social Development

Description

This program supports programs for the homeless or those individuals at risk of homelessness, as well as programs for children, families, seniors, communities and people with disabilities. It provides these groups with the knowledge, information and opportunities to move forward with their own solutions to social and economic challenges.

Program Performance Analysis and Lessons Learned

The Department provides initiatives to support the homeless or those individuals at risk of homelessness through the Homelessness Partnering Strategy (HPS). Since 2014, the HPS has focussed on a Housing First approach to quickly move people experiencing chronic and episodic homelessness into independent and permanent housing and then provide additional supports and services as needed. Based on the data received to date (for 2014–15), 12,102 people have been placed in more stable housing through HPS interventions, including through Housing First.

The New Horizons for Seniors Program promotes volunteerism among seniors and other generations; engages seniors in the community through mentoring of others; expands awareness of elder abuse; and supports social participation and inclusion of seniors. In 2015–16, 1,870 community-based and pan-Canadian projects addressed these objectives.

The Department continued to implement socially innovative projects that support children, families and individuals with disabilities across Canada through the Social Development Partnerships Program (SDPP). A series of leveraging pilot projects (through the SDPP – Children and Family component) confirmed that all (100 percent) of the not-for-profit organizations participating in these pilots demonstrated the capacity to partner and to obtain non-federal resources in order to increase their sustainability and impact. Through the disability component of the SDPP, over 60 percent of the 19 reporting disability organizations, that received funding demonstrated capacity for obtaining additional, non-federal funding.

Leveraging was also applied to good effect in the Enabling Accessibility Fund (EAF), which improves accessibility, removes barriers and enables Canadians with disabilities to participate in and contribute to their community. The Department had set a target to have funded projects secure 35 percent of their project costs from other sources. The actual result for 2015 exceeded this target, with 81 percent of total project costs for EAF projects coming from other sources.

For more information on Social Development programming, please refer to **Supporting Information on Lower-Level Programs.**

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
3,081,658,183	3,081,658,183	8,985,948,747	8,961,100,867	5,879,442,684
The variance between 2015–16 Planned and Actuals is mainly the result of the Budget 2015 enhancements to the UCCB program that became effective in January 2015.				

Human Resources (full-time equivalents – FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference
345	289	(56)
The difference between Planned and Actual FTEs utilization can be explained by delays in staffing and unexpected departures.		

Performance Results

Expected Results	Performance Indicators	Targets	Actual and Historical Results
Homelessness is prevented and reduced	Number of people placed in more stable housing through Homelessness Partnering Strategy interventions, including Housing First **Source:** Homelessness Electronic Reporting Information Network	5,000	**Actual Result:** 2014-15: 12,102* **Historical Results:** 2013–14: 12,978 2012–13: 10,027 2011–12: 9,076 2010–11: 9,919
Seniors participate in and contribute to communities	Total number of New Horizons for Seniors Program projects that address more than one of the program's objectives: • promoting volunteerism among seniors and other generations; • engaging seniors in the community through mentoring of others; • expanding awareness of elder abuse; and • supporting social participation and inclusion of seniors. **Source:** administrative data	670	**Actual Result:** 2015–16: 1,854 community-based projects and 16 pan-Canadian projects
Accessible communities and workplaces which allow people with disabilities to have access to programs, services and employment opportunities	Number of people that will benefit from funded projects **Source:** administrative data	Not applicable**	**Actual Result:** 2015–16: Not available ***

* Results for 2015–16 are not available until November 2016.

** The number of people that benefit from this program greatly depends on the types of projects that are funded (small versus mid-sized projects, community versus workplace projects). There currently is not enough data collected to provide a target for this measure but, with time, the Department will be able to aggregate and analyze data and identify a target in future years.

*** Based on availability of data (available through final activity reports of funded projects), the Department can provide results pertaining to this indicator only two years after projects have been funded.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Program Performance Analysis and Lessons Learned

Implement the 2015-2020 Workforce Plan

The Department has made significant progress against the implementation of initiatives and activities related to the strategic objectives of the ESDC 2015-2020 Workforce Strategy. Key progress and results in the ESDC 2015-2016 Workforce Action Plan include the following:

- ESDC new Staffing Direction implemented;
- ESDC Talent Management Approach strengthened;
- Succession Planning "Overview" and "Toolkit" developed;
- Leadership Development Strategy implemented;
- Staffing and Recruitment Strategy created for the Department;
- Group Mentoring for Aspiring Leaders' Pilot and Micro-Missions Pilot Projects launched; and
- Three-year Mental Health Integrated Framework and action plan implemented.

Continue the implementation of the Enabling Services Renewal Program

The implementation of the Enabling Services Renewal Program remained a departmental priority. The multi-faceted, multi-year program is transforming the way employees access internal services. The implementation of PeopleSoft in 2015–16 marked a significant milestone of the Enabling Services Renewal Program by providing a "single source" of human resource information. Inter-departmental and inter-branch governance was instrumental in ensuring the success of the Enterprise Resource Planning implementation, in conjunction with centralized program management functions that ensured alignment across intersecting enterprise and Government of Canada transformation initiatives. Work also continued on the corporate financial management system (SAP), implemented in April 2014, to transition the implementation project to stable operations and continue to improve the system functionality. The Enabling Services Renewal Program continues to leverage these two Enterprise Resource Planning systems (SAP and PeopleSoft) to standardize, align and integrate its internal services in the areas of human resources; information management and technology; finance, asset management and procurement; and internal integrity and security service.

Continue to enhance investment planning and project management processes and capacity

ESDC continued to enhance investment planning through the introduction of a sourcing strategy at the beginning of projects which identifies planned procurement throughout the project life cycle. This initiative supports higher-quality budgeting, forecasting and human resource planning processes horizontally across the Department. Additionally, it increases the likelihood of timely project delivery within planned amounts, and provides valuable input into the departmental workforce planning initiative.

Continue the integration of financial management, HR and business planning

Work continued during fiscal year 2015–16 on achieving a fully "integrated" planning and performance reporting environment. Through collaborative efforts to align strategic, business, workforce, investment and operational planning and reporting this year, the Department strengthened its ability to plan in a more coherent manner.

In addition, a revised departmental strategic plan was produced that reflects the entire Department's strategic management and service direction for the next three to five years, supporting a common enterprise-wide vision of goals and objectives and directing efforts towards them.

Improve Departmental Security

As part of the Departmental Security Framework, the Department is developing national guidelines for threat risk assessments, including a more defined Departmental Security Officer oversight role. This will provide a consistent departmental approach for threat risk assessments which is vital in ensuring appropriate safeguards are in place to protect the Department's employees, information and assets.

Formal project approval was also received for the Department's security incident case management system, which provides a centralized, department-wide solution to monitor and report on security incidents and facilitate trending analysis and mitigation strategies.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
906,173,311	906,173,311	947,436,515	892,479,726	(13,693,585)

Human Resources (full-time equivalents – FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference
4,477	3,943	(534)
The difference between Planned and Actual FTEs utilization can be explained by the average salary used to calculate the planned FTEs, which was less than the Actual salary average resulting in an overestimation of planned FTEs.		

Section IV: Supplementary Information

Supporting Information on Lower-Level Programs

Supporting information on lower-level programs is available on the **Employment and Social Development Canada website**.[11]

Supplementary Information Tables

The following supplementary information tables are available on the **ESDC website**.[12]

- **Departmental Sustainable Development Strategy**[13]
- **Details on Transfer Payment Programs (of $5 million or more)**[14]
- **Horizontal Initiatives**[15]
- **Internal Audits and Evaluations**[16]
- **Response to Parliamentary Committees and External Audits**[17]
- **Status Report on Projects Operating With Specific Treasury Board Approval**[18]
- **Status Report on Transformational and Major Crown Projects**[19]
- **User Fees, Regulatory Charges and External Fees**[20]

Federal Tax Expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the ***Report of Federal Tax Expenditures.***[21] This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

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Appendix: Definitions

appropriation (*crédit*)	Any authority of Parliament to pay money out of the Consolidated Revenue Fund.
budgetary expenditures (*dépenses budgétaires*)	Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.
Departmental Performance Report (*rapport ministériel sur le rendement*)	Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.
full-time equivalent (*équivalent temps plein*)	A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.
Government of Canada outcomes (*résultats du gouvernement du Canada*)	A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.
Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*)	A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.
non-budgetary expenditures (*dépenses non budgétaires*)	Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.
performance (*rendement*)	What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*)	A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.
performance reporting (*production de rapports sur le rendement*)	The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.
planned spending (*dépenses prévues*)	For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates. A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.
plans (*plans*)	The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.
priorities (*priorités*)	Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).
program (*programme*)	A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.
Program Alignment Architecture (*architecture d'alignement des programmes*)	A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.
Report on Plans and Priorities (*rapport sur les plans et les priorités*)	Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results (*résultats*)	An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.
statutory expenditures (*dépenses législatives*)	Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.
Strategic Outcome (*résultat stratégique*)	A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.
sunset program (*programme temporisé*)	A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.
target (*cible*)	A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.
voted expenditures (*dépenses votées*)	Expenditures that Parliament approves annually through an appropriation act. The vote wording becomes the governing conditions under which these expenditures may be made.
Whole-of-government framework (*cadre pangouvernemental*)	Maps the financial contributions of federal organizations receiving appropriations by aligning their programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

1 *Department of Employment and Social Development Act*, **http://laws-lois.justice.gc.ca/eng/acts/H-5.7/index.html**

2 ESDC acts and regulations, **http://www.esdc.gc.ca/en/esdc/acts_regulations/index.page**

3 ESDC information, **http://www.esdc.gc.ca/en/esdc/corporate/index.page**

4 Ministers' mandate letters, **http://pm.gc.ca/eng/mandate-letters**

5 *Public Accounts of Canada 2016*, **http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html**

6 Whole-of-Government Framework, **http://www.tbs-sct.gc.ca/hgw-cgf/finances/rgs-erdg/wgf-ipp-eng.asp**

7 Consolidated Financial Statements (Unaudited) for the year ended March 31, 2016, **http://www.canada.ca/en/employment-social-development-canada/services/reports/departmental-performance-report/2015-2016/financial-statements.html**

8 Consolidated Future-Oriented Statement of Operations (Unaudited) For the Year Ending March 31, 2016, **http://www.esdc.gc.ca/en/reports/rpp/2015_2016/financialstatements.page?**

9 Financial Statements, **http://www.canada.ca/en/employment-social-development-canada/services/reports/departmental-performance-report/2015-2016/financial-statements.html**

10 Supporting Information on Lower-Level Programs, **http://www.canada.ca/en/employment-social-development-canada/services/reports/departmental-performance-report/2015-2016/lower-level-programs.html**

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